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# Latin America Report

No. 2430



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## LATIN AMERICA REPORT

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## CONTENTS

## ENERGY ECONOMICS

## ARGENTINA

- Methanol Plant To Be Erected in Tierra del Fuego  
(LA PRENSA, 19 Dec 81)..... 1

## CHILE

- Electric Power Transmission System Inaugurated  
(Victor Perez Cotapos, et al.; EL MERCURIO, 2 Dec 81)..... 3

## ECUADOR

- New Sansahuari Well Yields Oil, Natural Gas  
(EL COMERCIO, 20 Nov 81)..... 6
- Legislators Consider Reforms for Hydrocarbon Law  
(EL COMERCIO, 1 Dec 81)..... 7

## COUNTRY SECTION

## INTER-AMERICAN AFFAIRS

- Bolivia Sells Farm Tractors to Peru  
(HOY, 2 Dec 81)..... 9
- Human Rights Congress Held in Caracas  
(EL NACIONAL, 24 Nov 81)..... 11
- Briefs  
Nicaraguan Ambassador on Honduras 12

## ARGENTINA

'LA PRENSA' Comments on Events in Poland (LA PRENSA, 19 Dec 81).....	13
Editorial Notes CARBAP Protest of EEC Policies (Editorial; LA PRENSA, 8 Dec 81).....	15
Homeless Laotians Protest Situation (CLARIN, 3 Dec 81).....	17

## BOLIVIA

Ambassador to OAS Quiroga Interviewed on Various Topics (Alberto Quiroga Garcia Interview; EL MUNDO, 24 Nov 81)....	19
ENAF Plans To Convert From Fuel Oil to Natural Gas (ULTIMA HORA, 5 Dec 81).....	22
ENAF Emergency Measures Outlined (LOS TIEMPOS, 5 Dec 81).....	23
Commentator Questions Rico Toro's Objectives (Obar; EL MUNDO, 29 Nov 81).....	25
Briefs Deficit Overtaxes Central Bank	27

## BRAZIL

Possible Changes in Ministerial Cabinet Discussed (O ESTADO DE SAO PAULO, 9, 15 Dec 81).....	28
Elections Beckon Several Ludwig Departure Reaffirmed	
Spending. Planning for Science, Technology Reported (O ESTADO DE SAO PAULO, 17, 29 Dec 81).....	31
Budget Tripled Basic Development Plan	
IMS Tests First Oerlikon Cannon Assembled in Brazil (JORNAL DO BRASIL, 6 Dec 81).....	34
Trade Balance Shows \$375 Million Surplus in November (O ESTADO DE SAO PAULO, 10 Dec 81).....	36
Industrial Production Declines More Slowly in October (O ESTADO DE SAO PAULO, 11 Dec 81).....	38



Employment Rate in October Drops in 10 Major Cities (O GLOBO, 19 Dec 81).....	40
CACEX States 1981 Exports Will Not Reach \$24 Billion (O GLOBO, 3 Dec 81).....	41
Netto Projects Drop in Inflation Rate to 80 Percent in 1982 (O GLOBO, 10 Dec 81).....	42

#### CHILE

Finance Minister: No Need for Further Interventions (EL MERCURIO, 24 Nov 81).....	43
Economic Flexibility, Faith in President Said Necessary (Pablo Rodriguez Grez; LA TERCERA DE LA HORA, 6 Dec 81).....	45
Mining Concessions Law Approved by Junta (EL MERCURIO, 2 Dec 81).....	47
Technical Aid Program for El Salvador Considered (EL MERCURIO, 4 Dec 81).....	50
Census Set for 1982, Cost Fixed at \$6 Million (EL MERCURIO, 20 Nov 81).....	51
Forest Products Production, Sales Increase (QUE PASA, 19 Nov 81).....	52

#### CUBA

Commentators Look at Various International Issues (PRISMA LATINOAMERICANO, Nov 81).....	54
Guatemalan Crisis, by Carlos Mora Herman Thatcher's Problems, by Miguel Rivero Reagan Economics, by Jose Bodes Gomez	
U.S. Foreign Policy Positions Described, Scored (PRISMA LATINOAMERICANO, Oct 81).....	60
Bacteriological-Chemical Warfare, by Carlos Mora Herman SWAPO, CIA, by Alcibiades Hidalgo Underdevelopment, Capitalism, by Jose Bodes Gomez	
FAR Finance Officials Discuss Organization (Rene Leon Fourquimin Interview; VERDE OLIVO, 29 Oct 81)...	67
FAR Minister Congratulates FAR Finance Workers (Raul Castro Ruz; VERDE OLIVO, 29 Oct 81).....	74

Eastern Army UJC Political Chief Interviewed (Ramon Cruz Mastrapa Interview; VERDE OLIVO, 29 Oct 81).....	75
New Bulgarian Planting System Described (Angel Fernandez Chao; JUVENTUD TECNICA, Sep 81).....	78
State Finance Committee Tests New Receipts Procedure (Jose M. Norniella; GRANMA, 24 Nov 81).....	83
'PIONEROS' Weekly Needs Ideological Militants (Diana Sosa; GRANMA, 24 Nov 81).....	84
National Banking Monetary Circulation Plan Described (Jose M. Norniella; GRANMA, 17 Nov 81).....	85

#### ECUADOR

Central Bank President Calls Development Program Inadequate (EL UNIVERSO, 28 Nov 81).....	87
Labor Ministry Employment Program Announced (EL COMERCIO, 27 Nov 81).....	89
Increase in Smuggling Countered by Customs Police (EL COMERCIO, 29 Nov 81).....	91
Briefs Increase in Marine Exports	93

#### EL SALVADOR

CCE's President Bustamante Speaks on Elections (EL MUNDO, 25 Nov 81).....	94
Rivera Damas: 'Country Has Become Violent Society' (EL MUNDO, 23 Nov 81).....	95
Decrease in Cotton Cultivation Causes Unemployment (Ernesto Muyshondt Parker Interview; EL MUNDO, 25 Nov 81)....	97
ACES Exposes Coffee Industry's Serious Problems (LA PRENSA GRAFICA, 19 Nov 81, EL MUNDO, 24 Nov 81).....	99
Producers Disclose Situation AP Demands Ehrlich Resignation Producers Accuse Government	

#### NICARAGUA

Vice Minister Macias Discusses National Unity (Edgard Macias Interview; LA PRENSA, 29 Nov 81).....	104
---	-----

Social Christian Party Holds Ninth Congress (LA PRENSA, 30 Nov 81).....	106
Opposition Parties Present Own Draft Bills (LA PRENSA, 27, 29 Nov 81).....	110
PPSC Draft Bill	
PSD Draft Bill	
Three Dimensions of Pluralism in Country Analyzed (Reinaldo Antonio Tefel; EL NUEVO DIARIO, 28, 29 Nov 81)...	116
VENEZUELA	
COPEI Foreign Relations Secretary on Self-Determination (Imperio Rodriguez; EL NACIONAL, 24 Nov 81).....	121
Foreign Relations Assistant Secretary Discusses Cuba (Herman Mena Cifuentes; EL NACIONAL, 24 Nov 81).....	124

## METHANOL PLANT TO BE ERECTED IN TIERRA DEL FUEGO

Buenos Aires LA PRENSA in Spanish 19 Dec 81 p 14

[Text] The Morgan Grenfell Bank and Co, Ltd, of London, has made an agreement with Southern Petrochemical, Inc, a firm with Argentine capital, for financing in the amount of \$360 million to build a plant that will produce 2,000 tons of chemical methanol per day.

The plant will be located in Tierra del Fuego, more precisely in San Sebastian Bay or in the vicinity of Rio Grande.

Both sites are being considered owing to the abundance of raw material (natural gas) and the proximity to the sea, to facilitate the shipments; because the finished product will be used almost exclusively for export, involving foreign exchange receipts for the country estimated at approximately \$120 million per year.

## The Plan

The plan consists of the construction of a plant to produce 2,000 tons of methanol (methylic alcohol) per day, from the natural gas obtained by the Davy McKee firm; opting for the ICI low pressure process, a process extensively tested throughout the world and with a large output.

## Construction

Davy has studied and developed two potential construction systems, namely: the conventional on-site construction system, or that using six modules, which will allow for the entire methanol plant in six units, including a module that will have all the service units attached.

By using this system, it will be possible to build four modules abroad and two modules in the country. If the storage tanks, the construction work and the load line to ship are added as local construction, it may be estimated that a considerable portion of the construction will take place with local input, materials and labor. This modular system, in turn, allows for a far simpler final assembly of the parts, particularly in view of the area's weather conditions.

The final choice of which system is to be adopted will be based on what is most feasible at the time when the plan is carried out.



## The Product

Of the various types of utilization of gas resources, a decision was made to convert them into methanol, owing to its various uses on different markets, namely: as a petrochemical, the main users being the producers of resins, adhesives, paints, pharmaceuticals, polyesters, herbicides and insecticides, among others. The MTBE, consisting of a mixture of methanol and isobutylene which, when added to gasoline increases the volume and octane count without polluting the atmosphere with lead, is used as an additive and substitute for lead tetraethyl.

Finally, it is used as fuel, whether mixed with gasoline (gasohol), or directly, in turbines and as pure fuel in the current development of engines for automobiles being carried out in various parts of the world. It should be added that this will be one of the basic elements in future energy exports, which will increase in the future, considering the vast gas reserves that the country possesses.

2909

CSO: 3010/573

## ELECTRIC POWER TRANSMISSION SYSTEM INAUGURATED

Santiago EL MERCURIO in Spanish 2 Dec 81 pp C1,C6

[Article by Victor Perez Cotapos, Dania Guelfand and Raul Cantuarias]

[Text] La Serena--Gen Augusto Pinochet, president of the republic, inaugurated the new electric power transmission system between Santiago and Diego de Almagro (formerly Pueblo Hundido) yesterday. With the commissioning of this line, the interlinked network reaches from Chanaral in the north (Third Region) to Quellon on Chiloé Island (Tenth Region) on the south.

The commissioning, which was attended by the intendants of the Third Atacama Region, Lt Col Alejandro Gonzalez, and the Fourth Coquimbo Region, Col Luis Patricio Serre, ministers of state and other high-ranking national, regional and local authorities, represented an investment of 151 million dollars, provided by the ENDEFA [National Electric Power, Inc.] from its own funds and through loans from banks and international bodies.

## Characteristics

The system involves 900 km of lines, 620 of them representing a 220,000-volt double-circuit high-tension line between Cerro Navia, in the capital, and Maitencillo, a locality near Vallenar, while 280 km represent a single circuit 220,000-volt high-tension line between Maitencillo and Diego de Almagro.

This hydroelectric energy obtained from the south will also make it possible to reduce oil consumption substantially in Regions Three and Four, with a resulting economy in foreign exchange, and to satisfy the increasing urban energy requirements and those of the current mining and industrial activities in both regions, in addition to establishing a firm foundation for the greater development of the northern area.

## Benefits

The zone benefiting from the new transmission system covers roughly the territory included between Chanaral and Los Vilos. This is an area of 118,000 square km, which is inhabited by 620,000 persons.

For the 900 km of lines and the system substations in Santiago and Diego de Almagro, 2,432 towers had to be built and 37,000 cubic meters of cement and 500 tons of iron were used.

In the future, the system will be equipped to provide service for new large-scale mining projects which are currently in the evaluation stage. These include the Los Pelambres, Los Bronces and Andacollo projects, serving to guarantee the energy supply which is vital for the advance of extractive activities in this zone.

#### Substations

The president of the ENDESA, Vice-Admiral (retired) Arturo Troncoso, announced yesterday that bids for the construction of the substations and the 500,000-volt transmission lines for the new Colhun-Machicura hydroelectric plant which is currently under construction are scheduled to be opened next 14 January.

He also said that a new 154,000-volt transmission line between Temuco and Puerto Montt will be put into service early in 1982, to replace and supplement the current 66,000-volt capacity.

He made these announcements during his speech at the ceremony held to commission the new 220,000-volt transmission system between Santiago and Diego de Almagro in the Third Region. The ceremony was held at the Pan de Azucar substation in the outskirts of La Serena yesterday afternoon, with the chief of state, Gen Augusto Pinochet, presiding.

#### President's Arrival

The president of the republic arrived at the La Florida Airport in this city at 1715 hours, to begin his tour of the Fourth Coquimbo Region.

The chief of state was accompanied only by his military aide, Lt Col Hernan Ramirez, and his police aide, Lt Col Sergio Cotroneo. The Ministers of Public Works, Labor and Social Welfare and Mines and the president of the National Energy Commission and a representative of the Presidential Advisory Committee had arrived earlier.

The arriving authorities were welcomed on the tarmac by regional officials, headed by Col Patricio Serre, the intendant. After reviewing a detachment of the Arica Regiment and greeting the other officials, including the municipal mayor, Eugenio Munizaga and the bishop of the diocese, Msgr Francisco Fresno, the president proceeded to the downtown area, where he was welcomed with a folk-music serenade and the traditional "chicha" [fermented corn liquor] toast.

#### The El Indio Mine

The president of the republic will inaugurate the El Indio Mine today. It is located at an altitude of 4,000 meters in the heart of the mountain range, 180 km from La Serena, and is expected to become the leading gold-producing center in the country.

The ceremony will also be attended by the other ministers who are accompanying the president on his tour of the Fourth Region, high-ranking executives from the U. S. company which owns the deposit, local authorities and special guests.

## Programs

After making a tour of the mining camp installations, which are located in the so-called Canchas de Ski sector at an altitude of 3,200 meters above sea level, the president will proceed to the commissioning ceremony which will launch the operation of the mine and the processing plant.

The first speaker will be the president of the El Indio Mining Company, Denis Acheson, and the second will be the president of the St. Joe Mineral Corporation, John Duncan. Finally, Minister of Mines Jose Pinera will speak on behalf of the government.

The bishop of La Serena, Msgr Juan Francisco Fresno, will then bless the new facilities and the chief executive will cut the traditional tricolored ribbon.

Later the government leader will visit the mine itself, where executives of the enterprise will provide technical explanations. Finally, after 1500 hours, all of the participants will go down to the camp, where an official luncheon will be offered at the clubhouse.

The production of the El Indio Mine will basically be concentrates containing gold, silver and copper, gilt bars (an alloy of gold and silver) and crude ore with a high gold content. These products will be trucked to the port of Coquimbo, from which they will be exported to foundries and refineries in various parts of the world.

The investment made, covering the processing plant installations, development of the mine, the high-tension line from Coquimbo, trucks, workshops, warehouses and auxiliary buildings, as well as the buildings and facilities which will house a thousand workers, comes to a total of about 200 million dollars.

Currently, new drilling projects are under way, since this zone is rich in minerals, according to the experts. This makes it possible that present investments will be made, according to the owners, the San Jose Company, a subsidiary of St Joe Minerals, which holds 80 percent of the stock. The balance is held by Chilean individuals, the majority of them living in La Serena.

When it is functioning at full capacity, the El Indio mine will produce about 10,000 tons of gold, tripling the current production of the country, as well as silver and copper. This will mean an annual contribution to the balance of payments of about 150 million dollars. It should be noted that the state collects about 50 percent of the profits in taxes, in exchange for the concession granted.

5157

CSO: 3010/475



## NEW SANSAHUARI WELL YIELDS OIL, NATURAL GAS

Quito EL COMERCIO in Spanish 20 Nov 81 p A 7

[Text] It was officially reported that the Ecuadorean State Petroleum Corporation (CEPE) completed the drilling of the Sansahuari 2 offset well, which reached a full depth of 8,020 feet.

The Sansahuari 2 well is located in the field of the same name discovered by the CEPE on 23 November 1979 via the drilling of the Sansahuari 1 exploratory well, which reached a depth of 8,268 feet and confirmed the presence of hydrocarbons in the Lower "U" and Upper "U" sandy strata, which yielded 2,098 barrels of crude daily of 26.1 degree API and 22.7 degree API, respectively.

The drilling of the Sansahuari 2 offset well was started on 11 October 1981 and finished on 3 November 1981, the report adds. This well expands the structure of the same name inasmuch as it verified the extension of the deposits toward the south, and it even determined that the "T" sands are productive, thus proving that the reserves of this field are bigger than originally figured.

To determine the total reserves, the CEPE says, it is necessary to sink an additional offset well to establish the actual extension of the deposit.

The drilling of three more wells has been programmed for 1982, making a total of five wells that are needed to develop all the reserves of the field.

The Sansahuari 2 well flowed at a rate of 2,964.64 barrels a day in the production tests. The results obtained confirmed the existence of oil and gas in the Lower "U," Upper "U," and "T" sands, with a total daily production of 2,964.64 barrels of crude ranging from 15.5 to 28 degrees API.

The incorporation of the Sansahuari field has been projected for the second semester of 1983.

8414

CSO: 3010/492

## LEGISLATORS CONSIDER REFORMS FOR HYDROCARBON LAW

Quito EL COMERCIO in Spanish 1 Dec 81 p B 5

[Text] Yesterday the permanent legislative commission on economic, agrarian, industrial and commercial affairs started a national survey on the bill to reform the Hydrocarbon Law that is under consideration of the National House of Representatives.

For that purpose, that legislative body sent out yesterday four specific questions to the broadest and most diverse political, economic, labor professional and academic sectors of the country in order that they express their opinion about the reform introduced by the late President Jaime Roldos Aguilera in April of this year.

Hugo Calcedo, chairman of the legislative commission, explained in a press conference yesterday that the national survey is based on a set of questions that seeks to garner, in an objective and thorough manner, the most important aspects of the bill to reform the Hydrocarbon Law.

Moreover, he added, the national survey seeks to gather criteria concerning the bill to reform the Income Tax Law--which also was introduced by President Roldos--as regards the exploitation of hydrocarbons.

He stated that the four questions put forth on the questionnaire do not curtail the analysis of the bills in reference, but rather seek to direct it toward its far-reaching aspects in order to avoid as much as possible the generalities regarding the petroleum situation.

The questions posed by the legislative commission are the following:

1 - The president of Ecuador, international organizations such as the World Bank, the IDB and the OPEC, as well as various national analysts consider that Ecuador will be transformed from an exporter to an importer of petroleum in the course of the present decade unless an extensive exploratory activity takes place. Do you agree with this estimate? State the reasons for your answer.

2 - Has the country the financial, managerial and technical capability to carry out the tasks of exploration and exploitation of hydrocarbons without the contribution of direct investment by foreign oil companies, in order to

maintain a rate of production that will at least supply the domestic demand and provide an exportable surplus no smaller than the present one until the year 2000? If so, furnish figures concerning the financing options.

3 - Are you in favor of opening the activity of exploration and exploitation of hydrocarbons to foreign investments in order to attain the objectives noted in the preceding question? If so, under what conditions?

4 - In terms of juridical, economic and social consequence, which is the most important change or changes in the bills "Reforms of the Hydrocarbon Law" and "Reform of the Income Tax Law as to Service Contracts for the Exploration and Exploitation of Hydrocarbons" presented to the Hon House of Representatives by the chief executive on 9 April 1981? Give a detailed account of the reasons supporting your agreement or disagreement with said reforms.

On the other hand, Calcedo said that the aims of the survey are intended to legitimize the reforms by means of consensus as to their multilaterality and universality, so that they will have validity in the future and be safeguarded by the national interests.

With this survey, he explained, we wish to create a common feeling of popular support and participation in the reforms and, therefore, to pursue a policy of responsibility before the electorate so as to have the best possible endorsement of the Ecuadorean people to the decisions we make.

He explained that in order to avoid a delay in the replies that should be given by some 180 institutions and individuals--including labor sectors, political parties, labor union federations, artisan federations, the UNE [National Students Union], the UNP [National Union of Journalists], economic sectors, chambers of production, chambers of agriculture, centers of higher education, professional associations, ex-presidents of the republic, engineers societies, petroleum analysts, former high officials of the petroleum sector, commentators, editorialists, state, regional and private institutions, and so forth--it has been decided that they are to be completed within 30 calendar days.

He underscored that the legislative commission does not want to flounder in useless debate, and for that reason it calls for fundamental and specific solutions to the pithy questions of the reform bills.

Neither do we want, he added, that in the future it be said these reforms were made solely by one group of citizens, and that is why all Ecuadoreans should share in that great responsibility for the future of our economy through their artisan, professional, labor-union and political representatives.

He noted that failure to participate in the national survey on a timely basis is to deny the legislative commission of criteria that could be helpful in its decisions.

He reminded that in following with the judgment of the chief executive, the reform of the Hydrocarbon Law is indispensable because the oil resources are on the verge of a dangerous reduction owing to the lack of exploration and effective location of new deposits that will make it possible to increase the current reserves.

## BOLIVIA SELLS FARM TRACTORS TO PERU

La Paz HOY in Spanish 2 Dec 81 p 5

[Text] The Prointer-Cont enterprise, which makes Arbotz tractors at its industrial plant in Santa Cruz, has concluded negotiations for the exportation of its farm and forestry tractors to the Peruvian market. This was made possible during its participation in the 12th International Fair of the Pacific, held from 19 to 29 November in the Peruvian capital, where Bolivia displayed and sold its wares, along with 40 other countries in the world.

Initially, the enterprise sold the units it took to the exhibition and made contacts for the sale of another 17 units worth \$1 million, to be delivered during the early months of 1982.

The agricultural and forestry machinery exhibited by Bolivia attracted the attention of visitors to the fair, who in some cases asked: "Bolivia makes tractors?"

Actually, the tractors are finished and assembled in Bolivia. Prointer-Cont imports most of the machinery 60-percent finished and completes the remaining 40 percent in the country at its plant located at kilometer marker 2.5 on the northern Santa Cruz de la Sierra highway.

In addition, the enterprise imports machinery worth \$15,000 and sells it on the Bolivian market. It will now export machinery to Peru for \$50,000 to \$60,000 a unit.

Tomas Tuma Games, president of the enterprise, told us of the importance to Bolivian industry of importing the major portion of a machine for \$15,000 and then selling it for \$50,000 a unit.

He said that this has a positive effect on the country's economy because exports generate a flow of foreign exchange income.

Tuma Games added that during the fair, "good contacts were made with groups that need this type of machinery for multiple uses in regions where Peru is now mechanizing large areas for forestry and agriculture."

He cited cases of lumbering and agricultural cooperatives operating in the region of Pucalpa in the Department of Ucayali, supported in their purchasing operations by BANCOOP, the Cooperatives Bank of Peru.



In this connection, a group of representatives of the cooperatives informed us that applications were being made with the banks to complete future purchases that should be made early in the year.

Arbotz officials said that support from the Bolivian state banking system was needed. This would be highly useful in the joint endeavor with Peruvian banks in order to promote exports of Bolivian agricultural machinery.

Tomas Tuma said that at the present time, the industrial plant in Santa Cruz has 90 units on hand that could be exported to the Peruvian market immediately.

He added that the interest of the Peruvian cooperatives resulted from the fact that one unit (an Arbotz tractor) costing \$50,000 to \$60,000 was a more advantageous buy than another tractor for similar uses. An Arbotz tractor can be used to clear large wooded areas, haul heavy tree trunks and plow vast areas of land for agricultural purposes. He emphasized that this is not the case with similar machines because they are for specific uses, either clearing, hauling or plowing, which means the purchase of three machines at a high cost, compared with Arbotz tractors.

Tuma Games said that in addition to the interest of cooperative sectors, there is great interest among large merchants in representing the machinery. Talks are now going on in order to set up a binational enterprise. He added that this is very important because this would further integration objectives, especially with countries in the Andean area and in this specific case, Peru, a country that is a signatory of the Cartagena Accord.

11,464

CSO: 3010/503

## HUMAN RIGHTS CONGRESS HELD IN CARACAS

Caracas EL NACIONAL in Spanish 24 Nov 81 p D-13

[Article by L.V.]

[Excerpts] "Until we Find Them" is the name being given to the Second Latin American Congress of Families of Arrested and Disappeared Persons, which opens here today and will run to 28 November at San Jose de Tarbes College in La Florida. With 75 foreign delegates and sponsored by the Latin American Foundation for Human Rights and Social Development (FUNDALATIN), the congress has three goals, according to Rev Fr Juan Vives Suria, president of this foundation:

--To create worldwide awareness of the most "aberrant" methods of persecution and repression known to history--the forced disappearance of individuals.

--On the practical side, to create a Latin American federation of all the associations of families of those who have been arrested in the region, as a means of protection and denunciation at the international level.

--To launch the idea of a convention or international treaty which, through adequate legal instruments, will permit eradication of the abominable practice of disappearance, bringing into being once more the legal bases of the Nuremburg trials, "not for revenge, but for justice," to reestablish Latin American coexistence on ethical and legal bases. "We have as a basis the resolution of the Congress of the Republic of Venezuela dated 28 May 1981, declaring the practice of disappearances to be a crime against humanity," Vives Suria emphasized.

Among foreign guests who are now in Caracas are four Argentine women representing the Plaza de Mayo Mothers, the organization of families of arrested and disappeared persons in Chile, the committee of mothers and families of those who have disappeared in El Salvador, the president of the Justice and Peace Commission of Brazil, Pedro Eurico; Isabel de Letelier, widow of the former Chilean foreign minister, the representative of the International Lawyers Committee, headquartered in Belgium, Hector Faundez; the former president of the Argentine Federation of Psychiatric Physicians, Silvia Berman; the Costa Rican ambassador, Luis Varela Quiros, a member of the UN work group on disappeared persons; and Guilherme da Cunha, representing the UN High Commission for Refugees.

8735

CSO: 3010/487

## BRIEFS

NICARAGUAN AMBASSADOR ON HONDURAS--Tegucigalpa--The Nicaraguan Ambassador to Honduras, Guillermo Suarez Rivas, stated yesterday that his government is confident of the neutrality of our country in relation to the latest occurrences in the border area near Guasaule. The diplomat said the belligerent incidents are regrettable and in no way contribute to peaceful coexistence between the two nations. "Our government feels it is necessary for the two presidents to take serious measures in order to avoid such incidents. I have stated personally in my country that the neutrality of Honduras is clear, and I repeat it, but it is not enough for me to believe it; action has to be taken quickly," said Suarez Rivas. He described some reports from his country that the Hondurans are responsible for the clashes as originating with "international interests that are trying to confuse Nicaragua and create trouble between it and neighboring countries, especially Honduras, which has good relations with the Nicaraguans." Suarez said that his government has told the Honduran Government that his country is clear in this matter and that it does not want such incidents, which have kept the people on both sides of the border in the Guasaule area in a state of anxiety. He declared that all possible efforts are being made by both governments to solve the problem quickly, and that the Nicaraguans at no time have tried to spoil the free elections that will be held in Honduras on 29 November, as some have tried to lead the citizens of this country to believe. It is obvious that the clashes that have occurred between the two armies recently on the border can be solved by merely seeking an understanding at a high level. The Nicaraguan ambassador neither affirmed nor denied that his country was responsible for starting the trouble although the residents of Guasaule confirmed that the firing started on the other side of the border. [Text] [San Pedro Sula LA PRENSA in Spanish 21 Nov 81 p 42] 9015

CSO: 3010/481

## 'LA PRENSA' COMMENTS ON EVENTS IN POLAND

Buenos Aires LA PRENSA in Spanish 19 Dec 81 Sec 2 p 1

[Article: "The Polish Rebellion"]

[Text] The resistance movement against the Polish Communist regime started in August of last year by Gdansk shipyard workers, which became widespread last March, accompanied by the shout, "Poland is not Afghanistan," has reached its critical phase. This has been indicated by recent events and confirmed by the serious governmental measures whereby martial law was imposed in the country, as well as the closing of borders, control of communications and militarization of key industries; in addition to a very stringent ban on trade union activities, including suspension of the right to strike.

As a result of a "standby status" declared for the ostensible purpose of "repulsing the enemies of socialism," 20 officers of the Armed Forces have assumed total public authority, setting up a Military Council of Salvation to be headed by Prime Minister Wojciech Jaruzelski who is, in turn, secretary general of the Polish Communist Party.

As a result of the implementation of this "standby status" which has suspended the already deteriorated constitutional guarantees, hundreds of leaders of the union group Solidarity have been arrested and the premises that they occupied have been closed. The arrests include a large number of workers who occupied factories, shipyards and iron and steel plants in protest over the incidents, and also major former officials of the regime, including two who had served as prime ministers. The list includes 11 provincial governors, several vice-ministers and three former mayors.

In other words, Poland has suddenly become an enormous barracks in which the motorized militias and sounds of sirens are the only sign of life and activity in cities and towns. The 36 million Poles have been notified of the categorical ban on organizing public and private meetings and on moving from one place to another without obeying the restrictions imposed to "restore public order and calm in the nation."

These measures, which show the true countenance of the regime that is in power in the agitated country, have been met with astonishment by the entire free world, while evoking to the same degree the approval of the Soviet authorities, whose direct intervention in the repressive operation could not be concealed by their



repeated expressions of "dispensability." Although not officially, Soviet sources have taken it upon themselves to state that Moscow will do "anything that is necessary" to keep the Communist government in power, including military intervention "to maintain order." With arrests based on "dispensability" and threats of "military intervention," the Moscow rulers are attempting to ignore the fact that, for several decades, Polish territory has been occupied by armed forces loyal to them, in whose organization and training they have overtly participated.

We are citing this background because it goes to show that the turbulent attitude of the Polish workers is not confined exclusively to the trade union area, but is, rather, the expression of the rebelliousness of an entire people seeking to achieve their destiny of freedom. We must not forget that, over 200 years ago, when its territory was divided among Prussia, Russia and Austria, Poland managed to survive as an independent nation and, furthermore, thwart Napoleon's attempt to convert it into the Duchy of Warsaw. Dominated by other international contingencies, Poland later retrieved its features as a free and sovereign nation as a result of the Treaty of Versailles. The ominous "partition" of Poland between Nazi Germany and the Soviet Union, and the subsequent entrenchment of the Communist regime in its entire territory certainly did not quell its people's understandably rebellious spirit, reflected now, as it was previously, in aggressive liberation movements such as that headed by Lech Walesa.

Without diverting attention from the events that are currently shaking the world, the consequences of which are unpredictable, it befits us to judge them from an historical perspective, and to give them an accurate placement. So to speak, those opposing the despotic power of communism are not only the factory and shipyard workers, but rather an entire people, who are united more out of their desire for freedom than out of pressing needs. The Polish peasants, students and intellectuals, together with the labor leaders, share mutual sentiments which Pope John Paul II, who was born in Poland, has, moreover, endorsed in stirring terms.

During these final days of 1981, not only is the fate of the Communist regime in Poland at stake, but also that of an entire empire founded upon the power of weapons and the contrivances of a fallacious doctrine.

2909

CSO: 3010/573

## EDITORIAL NOTES CARBAP PROTEST OF EEC POLICIES

Buenos Aires LA PRENSA in Spanish 8 Dec 81 Sec 2 p 1

[Editorial: "GATT and the EEC Subsidies"]

[Text] The government has been requested to bring up in the area of the General Agreement on Tariffs and Trade (GATT) the damage caused to our country by the European Economic Community's (EEC) subsidized meat exports to markets which customarily imported those products from Argentina. The request, owing to its nature and grounds, leaves little leeway for the authorities with jurisdiction in the matter to miss once again the opportunity to take strong formal action and expand upon a problem to which they have devoted only inadequate negotiations, in the defense of national interests that have been hurt by non-compliance with categorical agreements that are in effect.

We have often cited the government's delay in discussing that aspect of our foreign trade. Other countries protested this type of communitarian protection more forcefully. Ours, following the secretive practices of the present authorities, engaged in diplomatic negotiations, talked with other victims and, as if matters of high-level, compromising international policy were involved, kept in the silence of the records a merely commercial controversy wherein the position of the other side lacks grounds and has even been questioned among the very members of the association of the 10.

Now, the Confederation of Buenos Aires and the Pampa Rural Associations (CARBAP) producers have asked that the matter be brought up within the GATT, from the standpoint of the instrument known as the Code of Compensatory Subsidies and Rights, a result of the Tokyo conference, by virtue of which there is a possibility of initiating direct, concrete petitions to the Community, through the multilateral accord.

GATT is currently deliberating in Geneva. After chairing the assembly of the UN Food and Agriculture Organization (FAO), convened in Rome, the minister of agriculture discussed in Brussels the situation created by the EEC for our exports of oil seeds and vegetable oils. However, as CARBAP has noted in its detailed description of the appeal that it is advocating against the obstinate position implemented in the Common Agricultural Policy (CAP), the burdensome budget of which has been opposed by Great Britain and the Federal Republic of Germany, the Argentine negotiations must seek a public consensus that will strengthen them; and, for this purpose, it is essential that each one of the claims made by the government be reported in detail and with emphasis.

Our wires from abroad have often reported the complaints of Australia, the United States, Canada and New Zealand over that protectionism, or those from the consumers in Italy, France and Germany over the use of hormones in fattening livestock. A similar dissemination should be given in the European press and that of other countries, for the protection of our interests, if an appeal based upon non-compliance with international commitments that are in effect is handled in a proper and timely manner.

2909

CSO: 3010/573

## HOMELESS LAOTIANS PROTEST SITUATION

Buenos Aires CLARIN in Spanish 3 Dec 81 p 28

[Text] Yesterday afternoon, a group of 35 Laotian refugees who had arrived in the Federal Capital brought their mattresses out onto the streets as a sign of protest against their precarious economic plight.

They are exiles from the provinces of Mendoza, Misiones, Jujuy and Entre Rios, who arrived in Buenos Aires 60 days ago, fleeing from the meager wages that they were earning.

While they await a solution from the United Nations (which has refused to pay the hotel bill), or assistance from the Ministry of Interior, the 35 guests are experiencing all kinds of need.

Speaking Spanish voluntarily, Mrs Keopraseiuth comments: "My husband was working as a night watchman in the municipality of Entre Rios, but he didn't even earn enough for us to buy milk for our children."

What is quite noticeable in that hall in the hotel at 1751 Tacuari Street, where they are lodged, is the extent and the visible state of malnutrition among the younger ones.

There are exactly 20 children under 8 years of age, who eat only when some generous friend donates food to them.

"My 8-month-old son has a fever, and I have only one can of milk available per week," says a young mother, who also claims that she wants to stay in Buenos Aires.

The eyes of those 20 youngsters are peeled on their mothers, and they do not understand the strange experience that they are being forced to undergo. Meanwhile, the mothers, who generally speak Spanish, offer to do any type of work. Some say, "We can clean houses and cook Argentine meals;" while another remarks, "I am a hairdresser," and a third adds, "I am a dressmaker."

This is an unfortunate situation which, thus far, seems to have touched only the owner of the hotel, who has not evicted them.

They were also visited by an official from the Ministry of Interior who, as he told CLARIN, wanted "to become informed of the facts" and then "convey the information to the people associated with demographic policy."

While the problem of unemployment is serious for the Argentines themselves, in the case of the Laotian refugees it is even more so. It is painful to see those young couples and those innocent children, whose only record was the hope placed in Argentina, a country which has always been proud of the spiritual assets brought by the immigrants.

2909

CSO: 3010/573



## AMBASSADOR TO OAS QUIROGA INTERVIEWED ON VARIOUS TOPICS

Santa Cruz EL MUNDO in Spanish 24 Nov 81 p 7

[Interview with Dr Alberto Quiroga Garcia, Bolivian ambassador to the Organization of American States, at Bolivian Mission in Washington, D.C.; date not given; by Victor Hugo Callau Balcazar]

[Text] [Question] Dr Quiroga, can you tell EL MUNDO of Santa Cruz de la Sierra how long you have been our country's diplomatic representative in the United States?

[Answer] I was given the honor of heading the Bolivian mission to the Organization of American States (OAS), in September 1980; I have been working at the mission for 14 months, carrying out our country's policies with regard to the multinational focus within the Organization of American States, which in turn has its own structure and political system within the southern hemisphere. I would say that the OAS work on Bolivia is highly positive, to the extent that the agenda of the next meeting--which is the 10th first period of sessions of the organization's General Assembly and will be held 2-11 December in Castries, the capital of Santa Lucia--includes a theme of vital importance for Bolivia: the problem of pursuing Bolivia's maritime problem, which is of most concern to the mission, in order to achieve what was also accomplished at the La Paz Assembly, a continental solidarity on one of the most sensitive matters for the Bolivian people, the problem of the sea.

[Question] What can you tell us, Dr Quiroga, about the recent meeting in Cancun?

[Answer] Well, now, Bolivia did not attend the Cancun meeting, because the North-South dialogue was restricted to only 22 countries, and the distribution was made, I suppose, on the criterion of timeliness for the delegations of countries from what are called the North and the Southern Group, which turned out to be developing or underdeveloped countries. As is known, the Cancun meeting was sponsored mainly by Mexico and Austria, which issued the invitations according to a selective criterion with which I am not at all familiar. I do know that some countries wondered why they were not invited, specifically Argentina, which is an important country on the continent.

[Question] Mr Ambassador, what is the situation at present regarding relations between the United States and our country?

[Answer] As is known, diplomatic relations between the United States Government and the Bolivian Government has been at a standstill for the last 15 months. Last 2 November, the U.S. Government petitioned our foreign office to permit the naming of an American ambassador in La Paz. From my point of view that step was taken because the United States is in fact recognizing the Bolivian Government. Meanwhile, there is the very specific circumstance of diplomatic relations, and it is understood that one must maintain a criterion of discretion in this process of exclusively formal relations; so if we admit that a petition of placet made to a country presupposes tacit recognition, I believe we are all right.

[Question] Dr Quiroga, during all this time while there have been no relations with the United States, what has actually happened to trade between the two countries?

[Answer] That question must be divided into two parts. The first, in the sense that trade relations on the private level have remained fluid and dynamic in themselves: what has happened is that the U.S. Government, because of the absence of diplomatic relations between the two governments, has limited the area of cooperation; in other words, the United States has restrained the entire flow of economic cooperation to Bolivia. This has obviously meant that some existing programs decreased their normal activity and that no new economic programs have been implemented. This in turn has meant that Bolivia has not received the cooperation it normally received in the past.

[Question] Then do you believe, Dr Quiroga, that once diplomatic relations have been reestablished our country will again have the same cooperation from the United States?

[Answer] I understand that it will, because throughout the negotiations which have taken the place of normalized relations, we have found that the United States continues to be a good friend of Bolivia, and I believe that once the recognition process, as we call it, is normalized and relations are once again fluid, the United States will continue within the same plan as before in its policy of cooperation with Bolivia.

[Question] Dr Quiroga, how do you feel as our country's ambassador to the OAS?

[Answer] Well, to tell the truth, at the beginning of our conversation I said I was honored, because it was quite a step for me to come to the diplomatic field from an exclusively teaching position--my training is largely academic and university-oriented--for an activity as important as representing my country, in addition to being such a personal honor, is an unaccustomed experience, because, whether we like it or not, the United States is the Rome of the 20th century, and decisions, at least in the southern hemisphere, come from the United States. So, as well as the honor of representing our country, it means an opportunity to gain knowledge and experiences which perhaps one might rarely have under normal circumstances, and even more so when one considers that I was appointed ambassador under extremely difficult conditions--difficult not only for the country, but for whoever represents it. I do not mean to say that I was thus placed here at a less opportune moment, but one might indeed say that it was the most difficult moment in the history of our country's relations with the United States. Until

now there has never been any circumstance in which we have had to wait 15 months to normalize relations. That fact alone indicates that the time was very difficult, but I believe that has made it more interesting.

[Question] Do you have any message for our people, Dr Quiroga?

[Answer] Yes. I understand messages are always interesting, but I would simply like to say that I believe the Bolivian people have a great future and that as a result of my negotiating activities in the United States, I have come to understand that we Bolivians enjoy very good conditions and that even in poor circumstances we can achieve many good things, and finally, that our destiny is our own, without protectors and with a vocation of service to the country.

8735

CSO: 3010/442

## ENAF PLANS TO CONVERT FROM FUEL OIL TO NATURAL GAS

La Paz ULTIMA HORA in Spanish 5 Dec 81 p 4

[Text] The National Smelting Enterprise (ENAF) plans to convert from fuel oil to natural gas in order to avoid dependency on a single energy resource. The move is part of the enterprise's new policy set forth for the immediate future.

Projects planned as part of the policies include the following points: completing the conversion from fuel oil to natural gas in order to avoid dependency on a single energy resource; developing feasibility studies for the processing of minerals and/or concentrates of low-content antimony, defining aspects of research, technology, markets and the economy of the project; coordinating the revision of the zinc refinery feasibility project completed by Klockner Industrie Anlagen, which is being done by the Nenninger Chenevert Consulting and Surveying Firm of Canada; and carrying out the project to recover metal values.

## Objectives

With respect to objectives, the following points should be noted: complying with the government's decisions, made in order to conserve energy resources; incorporating important gaseous hydrocarbon deposits into the national economy, deposits heretofore undeveloped; supplying the energy needs of the Vinto complex, which has had an irregular supply and varying quality of fuel oil; supporting YPFB [Bolivian Government Oil Deposits] programs in order to prevent a currency drain due to the importation of heavy liquid fuel; generating savings through the use of natural gas in national mining, especially tin and antimony mining; providing the technology and necessary flexibility for antimony smelting so that concentrates can be processed with higher contents of metal impurities, thereby obtaining products of commercial quality; installing the metallurgical plant to convert minerals into metals under technical and economic conditions in keeping with the country's interests; and recovering precious and commercially-valuable metals from materials processed in the metallurgical plants.

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CSO: 3010/503

## ENAF EMERGENCY MEASURES OUTLINED

Cochabamba LOS TIEMPOS in Spanish 5 Dec 81 p 5

[Text] 4 Dec--Since October, the National Smelting Enterprise (ENAF) has been applying an emergency plan aimed at improving productivity, hoping to reach a production of 19,500 fine metric tons of tin by the end of the year, compared with 15,130 tons for 1980. This announcement was made by ENAF today.

As part of the plan, ENAF has completed repairs on the electric furnace in the low tin content plant. Technical preparations are now underway to get the furnace into operation.

The program being followed is "aimed at speeding up production, technical and financial plans," the announcement stated.

## Tin and Antimony

The emergency plan is aimed at raising processing indexes for tin and antimony through a series of policies: developing the production process normally so as to meet the production plan for this fiscal year; achieving production in keeping with the requirements of the international market, production "that can be sold rapidly" so as to avoid uneconomic storage of production; establishing assembly-line operation of the tin and antimony smelting plants; maintaining the antimony smelting plant in operation, using the installed capacity in close relation to market prospects; achieving maximum utilization of idle capacity, given the necessary reduction in production due to reduced marketing possibilities; and rationalized spending.

## Budget

The budget includes the following policies and goals: administering financial resources so as to guarantee the enterprise's productive operations during the emergency period; maintaining the spending ratio in keeping with the instructions of the Ministry of Mines and Metallurgy so as to support government measures; obtaining financial resources considering the emerging needs of the plan; coordinating all factors of production, marketing and finances in keeping with the investment program; rationalizing processing costs at the Vinto metallurgical complex; effecting outlays in close coordination with the management of purchases so as to rationalize all purchases of machinery, plant equipment and spare parts; and ensuring that the Central Bank permits the purchase of foreign exchange in keeping with the



requirements of the enterprise, with the subsequent issuance of receipts, up to the amount of \$1 million; and obtaining from the Central Bank authorization for the opening of lines of credits, with payment of part of the total credits requested.

#### Debts

Concerning the economic situation of ENAF, the financial administration of the enterprise is taking certain steps to ensure deferment of internal and external debts as a means of solving problems confronting the enterprise, the announcement states.

It should be noted that the scope of ENAF's so-called emergency plan have only recently been made known, even though we have reached the end of the year.

Theoretically speaking, the plan appears to be adequate. However, no one guarantees compliance with the provisions and consequently, the success of the plan.

Only a short time ago, the general manager of ENAF revealed a gloomy picture of the enterprise, while at the same time initiating certain actions to give private enterprise shares in ENAF, an extreme that gave rise to a wave of protest in labor groups involved in nationalized mining.

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CSO: 3010/503

## COUNTRY SECTION

## COMMENTATOR QUESTIONS RICO TORO'S OBJECTIVES

Santa Cruz EL MUNDO in Spanish 29 Nov 81 p 5

[Commentary by Obar]

[Excerpts] At the graduation ceremony for 45 students of the Advanced National Studies School, Col Faustino Rico Toro expressed a number of very interesting ideas, saying that "those of us who have worked hard together as a team and laid the foundations for solutions and understanding for Bolivia should play the role of protagonists."

"Protagonist" means a person who plays a central role, a generally heroic (and almost always dramatic) character, or more simply, the person with the major role in an event. It is obvious that Rico Toro was not referring to routine matters. At the Advanced National Studies School, the country's problems are studied, along with possible solutions to those problems. An attempt is made to find the path Bolivia should follow to its advancement and greatness. Consequently, those enrolled in the school are preparing (according to Rico Toro's statement) to be protagonists in national history, not a dramatic work. It was to the fulfillment of that role that Rico Toro was referring and which he was urging.

However, this ideal role of being protagonists cannot be played at all if we are not united. Nor can it be played without sacrifice and effort, whence Rico Toro's emphasis. But that is not all. When Rico Toro attributes the role of future protagonists in national events to civilian and military graduates, he is already speaking of something else, to the fact that the undertaking will not be a purely military one, but rather, a combined civilian and military effort. It is an undertaking that must obviously be political, inasmuch as politics is the driving force of history. It will not only be military men who, in their messianic attitude, will take upon themselves the enormous task of saving the country and bringing it out of its current prostration. Rico Toro meant that the graduates have prepared themselves for the task and that they have fraternized and come to an understanding through dialogue.

But what they have learned will not be enough. According to Rico Toro, they must all be "generous and have group spirit and greatness of soul."

As we can see, this is a difficult task and these are rare qualities.

Here we might recall Point 9 of the Programmatic Foundations of RADEPA (reason of nation), which says: "Inasmuch as RADEPA is a school of moral, spiritual and intellectual advancement, there can be no individualism or narrow group or rank interests. Consequently, no member is responsible only to himself, but to the group."

Point 1 says: "The many and complex problems besetting Bolivia must be faced and totally resolved, without temporary palliatives or superficial measures that only conceal the true situation in Bolivia, resulting, as in the past, to material stagnation and spiritual prostration that depress our people." (RADEPA)

Rico Toro's address causes many to think seriously about the objectives motivating him, about what he truly meant and about what he proposes, while the figure of General Garcia Meza grows gradually more blurred and faint, until, as the comptroller general says, he will be seated in the dock. Everyone therefore wonders whether Garcia Meza has not been replaced by another military man in that messianic position (one therefore dangerous and subject to deviations and excesses) of saving the country, just as Villarroel and RADEPA once suggested.

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CSO: 3010/503

## BRIEFS

DEFICIT OVERTAXES CENTRAL BANK--La Paz, 4 Dec (ANF)--On the average, the Central Bank of Bolivia has financed 77.46 percent of the country's annual fiscal deficit over the past decade, reaching the highest figure in 1979, when the rate was 91.97 percent. This information is revealed by official documents released here, documents that analyze the fiscal deficit for the past 10 years. The average rate of growth in spending was 33.82 percent annually, compared with 29.87 percent for receipts. From the first to the last year of the decade, the difference between income and spending yielded negative results, with the deficit growing at an average annual rate of 64.87 percent, equivalent to more than double the average growth rate of fiscal income (29.87 percent) and a little under 2.5 times the average growth rate of the gross national product at current prices (27.66 percent). It should be added that the prevailing financial deficit of the public sector during the decade was its outstanding characteristic, an aspect resulting in the need to increase the debt. This exerted pressure on the Central Bank, which generally had to resort to the inorganic issuance of money and an increase in the already excessive foreign debt. This aspect (inorganic issuance of money and monetarization of the debt) brought pressure on the level of prices, which in turn led to continued inflationary processes. Finally, fiscal income and the deficit generally rose at a faster rate than the gross national product (GNP), with 12.8 and 2.8 percent as the annual averages of the value of that indicator. On the other hand, income substantially reduced its rate of expansion with respect to the GNP beginning in 1977, representing an average 9.9 percent of the value of the GNP during the decade. [Text]

[Cochabamba LOS TIEMPOS in Spanish 5 Dec 81 p 9] 11,464

CSO: 3010/503

## POSSIBLE CHANGES IN MINISTERIAL CABINET DISCUSSED

## Elections Beckon Several

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Dec 81 p 3

[Article by "C.C.": "Ministerial Change May Affect Five or Six"]

[Excerpt] Brasilia--Fresh reports are being received regarding cabinet changes that this time are not merely being put on the government agenda but will definitely be made at the beginning of next year. The ultimate decision about the changes will of course be made by President Joao Figueiredo, but the studies and recommendations on which his decision is to be based are being made in the office of [Civilian Household Chief] Leitaõ de Abreu. Two major reasons will lead to replacement of five, maybe six cabinet members: the need for some to resign in order to run in next November's elections and Planalto Palace's need to bolster certain sectors that left something to be desired during this administration's first 2 years.

Justice Minister Ibrahim Abi-Ackel, it has been said, will leave only if he is induced to run for governor of Minas Gerais. Despite his denials, he is getting closer and closer to being called upon to run against Tancredo Neves and other candidates in that state. Sooner or later he will receive a formal appeal from the president, as the solution that best copes with the not-too-favorable situation of the local PDS [Social Democratic Party]. As his replacement--and here is a late-breaking development--the former chief of the president's Civilian Household and ex-governor of Minas Gerais, Rondon Pacheco, is now being mentioned. It had been thought that in the event of Ibrahim Abi-Ackel being replaced the two most likely to succeed him would be jurist Miguel Reale and former Minister Bilac Pinto. The winds, however, are beginning to blow in the direction of Rondon, more a politician than a jurist, unlike Reale, and a politician who is still active, which Bilac is no longer.

[Social Security Minister] Jair Soares appears to be in the final heat of the Rio Grande do Sul gubernatorial race as a PDS candidate but there is not yet any clear idea of who will succeed him: whether a technician acquainted with Social Security problems or a politician unable to be a candidate in next year's elections, such as a senator whose term ends in 1986 or a current governor who wishes to remain in the executive branch rather than run for Congress.

Cesar Cals is another who is said to be nearing the end of his administrative days at the federal level. Whether or not he is a candidate to succeed Governor



Virgilio Tavora [of Ceara], he will leave the Mines and Energy Ministry. He is most likely to turn his post over to a technician, someone already familiar with energy problems. Here also no clear signals have been detected regarding who will become a cabinet minister--or who could remain in the cabinet by switching portfolios...

Amaury Stabile's days are numbered. He did not work out, despite his capabilities acknowledged by Planalto Palace. He was several kilograms shy of filling the place left by Delfim Netto when the latter left the Agriculture Ministry for the Planning Secretariat. The new minister, barring a very narrow margin of error, will be Nestor Jost, former president of the Bank of Brazil. A more remote possibility is Jost as finance minister, as the likelihood of Ernane Galveas leaving that post is unclear. Maybe yes, maybe no, inasmuch as his departure would certainly lead to a loss of influence and power by Delfim Netto--which will never happen. The planning minister would not like to have another Karlos Rischbieter nipping at his heels, which Jost unquestionably would be as his ideas and personality are not so closely meshed with Delfim's as are those of Galveas.

Industry and Commerce Minister Camilo Penna is vulnerable to a cabinet shakeup, which Figueiredo's close and constantly stronger ties to Vice President Aureliano Chaves will not hinder. No one questions his ability, his capacity for work or his character but simply the lack of harmony with Delfim Netto that he continues to show. A name almost certain to replace him is that of Eliezer Batista, president of the Rio Doce Valley Company.

Murilo Macedo, tempted to run for governor of Sao Paulo, is another change of which there is no doubt, whether or not he wins the nomination, for a number of reasons. The Labor Ministry may be used to enhance the prestige of the PDS, although this option seems less imminent now than it did a few days ago. According to the latest reasoning, the party must engage body and soul in the electoral process, mobilizing all its members and leaders. There would thus be only one minister--of labor or of social security--except for Rondon Pacheco, removed from office.

Thus far we have mentioned what seems to be the nucleus, or most of it, in terms of a cabinet shakeup. There may be other changes under consideration but not detected, just as one or more of those mentioned may not materialize. What must be mentioned, however, is that this time--if only to mark the midpoint of the Figueiredo administration, in fact--the changes will be made. It tends to be the nature of general-presidents, except for Castello Branco, to become emotionally attached to their cabinets appointments and avoid replacements, even when the success of their policy requires it. Figueiredo will have devoted much thought to--and even resisted, as in the past--making changes but, barring a sudden change of heart, he has now made up his mind.

A minor shakeup, in fact, could have been made sooner, when the president lost the collaboration of General Golbery do Couto e Silva and chose Leitaõ de Abreu to head the Civilian Household. Some of his advisers recommended the idea but, as it was not accomplished during those 24 eventful hours, it was put back on the shelf to rest awhile.

## Ludwig Departure Reaffirmed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Dec 81 p 11

[Text] Brasilia--Education Minister Rubem Ludwig will probably leave the MEC [Ministry of Education and Culture] in November of next year to resume his military career, where he holds the rank of brigadier general. Although emphasizing that this is a decision the education minister will not make until November 1982, MEC spokesman Antonio Praxedes was more definite yesterday in Brasilia in speaking of activities planned for the coming year: "The minister will consider his mission accomplished after 2 years in the MEC, in November 1982. This is the mission he was given. The president of the republic was very kind in appointing him for the period that would be necessary and that at the same time would not hinder his military career. Ludwig thus understands that his mission is for a period of 2 years."

The spokesman's revelations were made in commenting in the MEC yesterday on the minister's impressions of his first year in the government and his disappointment with the community involved in problems of education, culture and sports. He mentioned specifically the campaign for more funds for education in which he received no one's support except for telegrams and the recently-ended strike by the federal teaching profession, ordered 1 day before the date set by the teachers to receive Minister Rubem Ludwig's reply to their grievances.

"There is definite disillusionment with what happened. There was nothing that would have been structurally serious, but the minister was really disappointed," the spokesman said in referring to these two events. In his opinion, nonetheless, 1981 was a great year for the MEC in which "a general housecleaning" was made "and in 1982, by November--the minister's deadline--there will be time for us to accomplish a lot, if everyone cooperates." This was also the appeal made by Praxedes to employees of the MEC mass media department.

Eliminating 68 of the 228 agencies in the MEC's structure; administrative streamlining; reducing the number of buildings that MEC rents in Brasilia from 15 to 3, so that there is now one building for the councils of Education, Copyrights and Social Service, another for the School Lunch Campaign and another for the Culture sector; drafting of regulations for all departments, secretariats and divisions other than regional offices; and transfer of employees to deflate the bloated central administration in Brasilia are the "housecleaning" measures carried out in 1981, according to the spokesman.

Antonio Praxedes believes it was necessary to make the MEC a "responsive instrument of action" and eliminate "absurd" situations such as were occurring frequently. Among these he recalled that PREMESU (Program for Expansion and Improvement of Higher Education Facilities) invested more than 1 billion cruzeiros this year without the Higher Education Secretariat, to which it is subordinated, knowing the investment was being made.

"The structure was 'anti-administrative'," the minister's aide remarked.

Now that the structure is prepared, the spokesman said, 1982 will be the year for action, based initially on resolving two questions that dominate the concerns of Minister Rubem Ludwig: discovery of a Brazilian university model and solution of the problems of secondary education, as the education minister does not consider it acceptable for a student to spend 8 years in school and leave without any occupational training.

## SPENDING, PLANNING FOR SCIENCE, TECHNOLOGY REPORTED

## Budget Tripled

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Dec 81 p 18

[Text] Brasilia--The federal budget for science and technology more than tripled for 1982. From the 43 billion cruzeiros earmarked for this sector in 1981, there was a leap to 145 billion cruzeiros, representing 3.6 percent of the overall budget. These data are from studies the CNPq (National Scientific and Technological Development Council) is making for Planning Minister Delfim Netto, who ordered a detailed survey of funds appropriated for science and technology so as to have better control and coordination of each agency's work.

Following the French model, the study of the federal budget for science and technology is annotated and interrelated, involving appropriations of funds according to agencies, functions and programs. In direct administration--ministries, state secretariats and autonomous agencies--the general secretariat of the Mines and Energy Ministry has the largest share of the science and technology budget (9.2 billion cruzeiros), followed by CAPES (Cordination of Advanced Training for Higher-Level Personnel) of MEC [Ministry of Education and Culture] (4.1 billion cruzeiros), National Institute of Weights and Measures (3.6 billion cruzeiros) and the Industrial Technology Secretariat of the MIC [Ministry of Industry and Commerce] (1.3 billion cruzeiros), among a total of 29 agencies listed in the survey.

Among entities supervised by indirect administration, EMBRAPA (Brazilian Agriculture and Livestock Research Enterprise) has the largest share of the 1982 budget for science and technology (24.4 billion cruzeiros), followed by CNPq (18.9 billion cruzeiros), FINEP [Funding Authority for Studies and Projects] (16.5 billion cruzeiros), EMBRATER [Brazilian Rural Extension and Technical Assistance Enterprise] (12.4 billion cruzeiros), CNEN [National Nuclear Energy Commission] (6.9 billion cruzeiros) and IAA [Sugar and Alcohol Institute] (5.9 billion cruzeiros).

An extensive survey of intergovernmental agreements for scientific and technological cooperation is also part of the study the CNPq is concluding. Brazil has 21 agreements for scientific, technological and technical cooperation with the FRG, Belgium, Canada, Spain, United States, France, Great Britain, Italy, Japan, Portugal, Soviet Union, Argentina, Chile, Costa Rica, Iraq, India, Mexico, Nigeria, Peru and Venezuela.

## Basic Development Plan

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Nov 81 p 57

[Text] Brasília--Among the factors that hinder technological development in the capital goods sector are: imports made without regard to whether similar products are made domestically; borrowing money to import equipment; incorrect evaluation of the financial and technical capabilities of capital goods industries; lack of specialization by manufacturers of capital goods due to licensing arrangements; and lack of an intermediate-term plan that programs a continuous flow of orders which can retain technical staffs for engineering and qualified workers. To establish a plan of action to develop this area, the government must change the legal and policy-making framework that governs the capital goods sector.

This diagnosis was made by specialists from government, business and industry who participated, at the invitation of the National Scientific and Technological Development Council (CNPq) in drafting a basic document that lists the measures to be taken for technological development of the capital goods sector, one of the areas into which the entire industrial sector was subdivided, a priority for the Basic Plan of Scientific and Technological Development (PBDCT). Other groups of specialists prepared a specific plan of action for other industrial sectors, including non-metallic goods, consumer goods and basic metallurgy.

### Legislation

Existing legal standards that regulate technological development in the capital goods area should be altered to create: a differential preference for companies that develop technology; preferential terms for financing machinery and equipment when embodying domestically developed technology; "performance" insurance to support development of new products; and new parameters that can verify technological content of machinery and equipment.

Other preliminary conditions recommended by the specialists are: registration of contracts for industrial technical cooperation only in case of companies that demonstrate their industrial, manpower and managerial capabilities not only for producing a given product but also for absorbing and developing technology and avoiding spurious licensing just to fill an order, a practice that is bringing too much diversification to capital goods industries producing made-to-order goods.

Also in the legislative plan, they suggest that foreign commercial companies not be permitted to bid on production of equipment. These companies--the specialists say--in practice merely pass along designs from their parent company to Brazilian firms, merely using their manufacturing facilities as subcontractors. The studies also recommend that the Central Bank exercise greater control over such companies, registering them after approval by the CDI [Industrial Development Council] of projects that demonstrate their operating methods in Brazil; they also suggest that FINAME [Fund for the Financing of Machinery and Equipment] not register domestic companies that produce equipment using technology furnished by foreign companies; they recommend that CACEX [Foreign Trade Department] not permit importation of designs.



## Farm Machinery

The subsector of farm machinery was considered, among capital goods, as priority for activities supporting technological development. The specialists justify their concern by showing, among other reasons, the prospects for growth of demand for farm machinery at a 10 percent annual rate on the part of developing nations through the year 2000, according to an FAO forecast. This indicates, they note, the opening of a great export potential for the sector, which should be technologically capable of benefiting from it.

Another reason given is the need to increase farm production and yields by raising the level of mechanization, now considered low. Only 10 to 15 percent of Brazil's tillable land--between 400 million and 500 million hectares--are utilized, for which the nation has 430,000 tractors, 25 percent of which are more than 10 years old and 70 percent of which have been in use for more than 5 years. The average quality of Brazilian-made equipment is low--according to the studies--and it is often made on an artisan basis, inappropriately designed for Brazilian farming systems.

About 30 projects were planned and suggested by the specialists for developing farm-machinery technology. Among these are drafting technology contracts; expanding the network of technological centers; preparation of a national plan for standardization; dissemination of information about patents and trademarks; development of machinery projects; identification of technological gaps; systematic evaluation of products; dissemination of operating techniques; installing management systems in business firms; and formation of consortia for exporting.

Nationwide there are 131 manufacturers of machine tools, which in 1979 employed 12,000 persons and had sales of about \$243.8 million. Most are concentrated in Sao Paulo. This is also considered a priority sector among the activities planned for technological development of the capital goods sector.

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CSO: 3001/53



## IMS TESTS FIRST OERLIKON CANNON ASSEMBLED IN BRAZIL

Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Dec 81 p 44

[Text] The first Oerlikon antiaircraft cannon assembled in Brazil by IMS (Mechanical Systems Industry) began tests for evaluation of its performance at the Marechal Hermes Training Field in Parana. The cannon was assembled by FAM (Metallic Devices Manufacturing, Ltd) in Curitiba.

IMS do Brasil, Brazilian company created by ITS Investments--100 percent Brazilian--and the Italian Oerlikon firm, is being organized to manufacture the Oerlikon weapons systems in this country. Its planned industrial facilities will begin with delivery of the antiaircraft cannon to the Brazilian Army.

## Weapons

The antiaircraft cannon is a very precise weapon, of 22-mm caliber, double-barreled, self-propelled, of the GAI-D-01 type. Its firing rate is 1,050 rounds per minute in each barrel; its total fire power is 2,100 rounds per minute. It weighs 1,800 kilograms and has aiming equipment for land and antiaircraft targets consisting of a sight and analog computer, besides radar.

The double-barreled 20-mm Oerlikon will be furnished in three versions: antiaircraft for defense of strategic areas; turret, for mounting on armored cars; and naval, for mounting on naval vessels.

Oerlikon equipment has a good international reputation and is part of the antiaircraft artillery of numerous countries. It is approved and adopted by NATO forces. The Brazilian Army has antiaircraft units armed with the 35-mm Oerlikon.

## IMS

The equipment will be made by IMS through a plan of progressive domestic production to be approved by the Army Ministry after a series of tests at the Marambaia proving grounds.

IMS intends to build its industrial facilities in the Industrial City in Curitiba, where it will occupy 120,000 square meters with about 12,000 square meters under roof. When finished, it will have production lines for the 20-mm and 35-mm weapons systems and spare parts and accessories, with sufficient capacity to supply the domestic and foreign markets.

Two Parana companies have been qualified to participate in the project--INEPAR and Metallic Devices Manufacturing.

For the purpose of complying with government policy for the sector, of absolute guarantee of Brazilian stockholder control, the president of ITS Investments, Carlos Alberto de Andrade, with the directors of Oerlikon, have been negotiating with the Monteiro Aranha Group, which has expressed interest in participating in the undertaking. Brazilian control of IMS will thus be assured, regardless of how much ~~INDUSTRY~~ [Ordnance Industry] may later invest in the project.

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CSO: 3001/53

## TRADE BALANCE SHOWS \$375 MILLION SURPLUS IN NOVEMBER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Dec 81 p 32

[Text] Brasilia--The trade balance had a surplus of \$375 million last month, bringing the cumulative surplus for January through November to \$988 million, according to data from the Foreign Trade Department (CACEX) of the Bank of Brazil reported yesterday by Finance Minister Ernane Galveas at a meeting of the National Council on Foreign Trade (CONCEX).

In November of last year, the trade balance had a surplus of \$54 million, but in the January-November period it showed a \$2.908 billion cumulative deficit. During the latest 12 months through this November, the trade balance has surpassed the goal of a \$1 billion surplus, reaching \$1.070 billion.

November's surplus is the second largest of this year, after the \$392 million of October, and the 7th month of 1982 with a trade surplus, compared with only 3 months last year (May, November and December), when the trade balance had a \$2.829 billion deficit.

Brazil exported a total of \$2.125 billion last month, a new record month for Brazilian exports, and imported \$1.750 billion, one of the lowest monthly figures, together with October's \$1.712 billion.

In November last year Brazil exported \$1.905 billion, so there was an 11.6 percent increase in November of this year. Imports fell 5.5 percent, as November's imports last year totaled \$1.851 billion.

From January through November of this year the nation sold \$21.232 billion abroad, according to CACEX data, which represents an increase of 16.6 percent compared with \$18.213 billion exported in the first 11 months of 1980. Even if \$2.2 billion of exports are sold in December, even the most pessimistic 1981 export goal (\$24 billion) will not be reached, as the total will then be about \$23.4 billion. In December of last year Brazil exported \$1.916 billion and the surplus that month was \$89 million.

The weak performance of coffee sales has greatly influenced this picture. From January through November coffee exports fell 36.8 percent, to \$1.619 billion, compared with \$2.561 billion in the first 11 months of 1980. Exports of other products, however, increased 25.3 percent to \$19.613 billion from only \$15.652 billion during January through November last year.

Imports during January through November fell 4.2 percent, from \$21.121 billion in 1980 to \$20.244 billion in 1981. Petroleum imports continued to have the greatest individual weight, accounting for 47.2 percent of the total. From January through November this year Brazil spent \$9.634 billion for petroleum, compared with \$8.675 billion last year, an increase of 11.1 percent.

Wheat purchases fell 7.1 percent, while other imports fell 15.3 percent in this year's January-November period. In November alone, "other" imports fell 25.9 percent, to \$803 million (less than the \$850 million spent for petroleum), compared with \$1.083 billion in November last year.

Brazil's Foreign Trade (in Millions of Dollars)

Category	November		Difference in:		January- November		Difference in:	
	1981	November 1980	Dollars	Percent	1981	November 1980	Dollars	Percent
Exports:								
Total	2,125	1,905	+220	+11.6	21,232	18,213	+3,019	+16.6
Coffee	134	221	- 87	-39.4	1,619	2,561	- 942	-36.8
Others	1,991	1,684	+307	+18.2	19,613	15,652	+3,961	+25.3
Imports:								
Total	1,750	1,851	-101	- 5.5	20,244	21,121	- 877	- 4.2
Wheat	97	48	+ 49	+102.1	764	822	- 58	- 7.1
Petroleum	850	720	+130	+ 18.1	9,634	8,675	+ 959	+11.1
Others	803	1,083	-280	- 25.9	9,846	11,624	-1,778	-15.3
Trade Balance	+375	+54			+988	-2,908		

8834

CSO: 3001/53

## INDUSTRIAL PRODUCTION DECLINES MORE SLOWLY IN OCTOBER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Dec 81 p 23

[Text] Rio de Janeiro--Industrial production continued falling in October but the rate of fall has declined, Jesse Montello, IBGE [Brazilian Institute of Geography and Statistics] president, told O ESTADO DE SAO PAULO yesterday.

During the 12-month period ending in October industrial output fell about 5.5 percent, compared with 4.13 percent in the like period ending in September. Montello demonstrated, however, that using the parameter of industrial production this year in comparison with 1975, the descending curve shows signs that it has reached "the bottom of the well" and, in his opinion, will begin a new advancing phase in coming months.

Using quarterly averages of industrial output this year and using 1975 as a base equal to 100 percent, he arrived at the following conclusion: The average of the January-March quarter (131.05 percent) shows a drop of 2.5 percent compared with the average of the April-June quarter (127.74 percent). However, when comparing the April-June quarter with the following one, July-September (131.39 percent), there is an increase of 2.8 percent.

Based upon such reasoning, Jesse Montello asserts that the phase of industrial recession is already losing momentum, since the average of the July-September quarter has returned to the level of the year's first quarter after passing through the worst phase in the April-June quarter. Inasmuch as the tendency is for production in the last quarter to perform better than in the previous ones, he thinks this fact justifies the conclusion that the worst is over.

## INPC

The IBGE president estimated that the National Consumer Price Index (INPC) will close the year with an increase of about 93 percent. He figures the INPC in December will be between 5.5 and 6 percent. In the first case, the annual INPC rise will be 92.7 percent and the second, 93.6 percent, as in December of last year (to be replaced by the increase of December this year) the INPC rose 6.9 percent.

Montello announced that starting in March 1982 the IBGE will begin publishing a new price indicator: the Producer Price Index (IPP), with national coverage, which will measure inflation in wholesale prices in a survey made in industry and rural



production centers. In January the IPP will begin to be computed in an experimental way and the data will be circulated only internally for the purpose of corrections and improvements. Likewise, the Sao Paulo Institute of Economic Research will begin computing an IPP just for Sao Paulo.

In regard to the Index of Industrial Production, the IBGE intends, starting in January, to adapt the survey panel to data of the 1980 economic census, bringing up to date not only the universe of informants but also the weighting system of sectors in the sample.

#### Employment

Also beginning in January, the IBGE will publish new figures obtained by expanding the survey of unemployment in the nation's major metropolitan regions. The new survey will permit a more detailed classification of unemployed persons; it will report on underemployment, duration of unemployment and the sector in which the unemployed person had worked.

The survey will also gather data about the person's legal situation when employed (signed working papers or not), whether the employee quit or was fired and whether he received the Service Time Surety Fund [severance pay]. It will also inquire about the pay period (monthly, semi-monthly or weekly).

#### Largest Increases

The yearly INPC ending in November shows the greatest upward pressure was in transport and communications services--an increase of 139.06 percent--thus confirming the inflationary effect of petroleum and price decontrol of public services. Next came personal expenses, which rose 128.7 percent, and expenses for health and personal care, with an increase of 120.16 percent. Food had the second lowest increase--83.55 percent--and the lowest rate of inflation was for apparel--76.84 percent. Housing rose 95.24 percent and home furnishings rose 87.46 percent.

8834

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## EMPLOYMENT RATE IN OCTOBER DROPS IN 10 MAJOR CITIES

Rio de Janeiro O GLOBO in Portuguese 19 Dec 81 p 18

[Text] Brasilia--Total employment in October fell in relation to the same month last year in all 10 of the nation's major metropolitan regions, Sao Paulo had the biggest drop (9.6 percent), followed by Rio de Janeiro (4.9 percent), according to data from the National Employment System (SINE) of the Labor Ministry.

Compared with September of this year, there was also a decline in eight metropolitan regions, especially in civil construction and industry.

In the sectors of industry, civil construction and commerce, the reduction of employment in October compared with the same month last year was 5.12 percent in Porto Alegre, 3.36 percent in Curitiba, 2.6 percent in Fortaleza, 2.42 percent in Belo Horizonte, 2.1 percent in Brasilia, 1.98 percent in Salvador, 1.84 percent in Recife and 1.66 percent in Belem.

In these three economic sectors, the employment decline in October compared with September was 0.86 percent in Belem, 0.44 percent in Brasilia, 0.43 percent in Sao Paulo and Belo Horizonte, 0.32 percent in Porto Alegre, 0.20 percent in Salvador, 0.14 percent in Rio de Janeiro and 0.8 percent in Recife and Curitiba.

## Robots

Sao Paulo--Labor Minister Murillo Macedo said yesterday that the press "is very concerned about the use of robots in Brazilian industry." According to him, "newsmen are worried about this and, after all, replacing men with robots is not as easy as imagined."

He made the comment in reply to a question about the report that General Electric of Brazil is about to install 1,000 robots in its factory to practically eliminate the work of human beings.

"I would really like," said Macedo, "to be able to create new jobs. But I repeat, don't be so worried about robots."

The labor minister, who was in Sao Paulo yesterday to inaugurate in the morning the new headquarters of the Real Estate Brokers Union and of the Regional Council of Real Estate Brokers of the 2d region, also said he knew nothing about the resignation of the Santo Andre Metalworkers Union governing board.

## CACEX STATES 1981 EXPORTS WILL NOT REACH \$24 BILLION

Rio de Janeiro O GLOBO in Portuguese 3 Dec 81 p 24

[Text] Sao Paulo--Benedito Moreira, director of the Foreign Trade Department (CACEX) of the Bank of Brazil, admitted yesterday that Brazil's exports in 1981 will be less than \$24 billion, and should be about \$23.7 billion.

The government's initial goal for this year was to export \$26 billion, compared with \$20.1 billion in 1980. However, this was reduced by \$1 billion and recently government authorities began making assurances that foreign sales would be over \$24 billion.

Benedito Moreira promised, however, that the nation will close the year with a trade surplus of over \$1 billion, despite losing about \$1.5 billion in exchange receipts due to the price drop on the commodity market and the higher interest rates in the international credit market. He also said that Brazil is likely to export \$28 billion in 1982.

Regarding the month of November, CACEX director said the figures are not yet complete, but he asserts that there will be another trade surplus. He said that exports last month exceeded \$2 billion, "at the same time that imports are under CACEX control."

## Design

Benedito Moreira participated in the opening session of the Seminar on Packaging Design and Quality Control sponsored by CACEX and being held in the Sao Paulo State Federation of Industries. According to him, it is very important that the Brazilian business community become concerned about creating their own design for their products, because manufactured goods "do not have a personality or trade mark of their own in the international market."

The CACEX director criticized the overall system of Brazilian marketing, especially regarding the low level of quality control for goods. He estimates the nation loses about 10 percent of its total annual revenue from exports due to the poor quality of packaging, which causes frequent returns of merchandise shipments and breaking of contracts abroad.

"Brazilian packaging is very poor," said Moreira. "Every day CACEX receives complaints from importers about deterioration of goods. We must improve the quality of our merchandise if we want to export \$28 billion next year."

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## NETTO PROJECTS DROP IN INFLATION RATE TO 80 PERCENT IN 1982

Rio de Janeiro O GLOBO in Portuguese 10 Dec 81 p 26

[Text] Frankfurt--Planning Minister Delfim Netto spent all day yesterday explaining to German bankers Brazil's current economic policy and its prospects, promising that next year the country's output should increase 5 percent and inflation should fall to an 80 percent rate. He also spoke quite enthusiastically about the Carajas Project and the Program for Irrigating the Cerrados Region, besides recalling that in 1981 [sic; 1982?] Brazil will continue its policy of controlling government expenditures.

Delfim, who came to Frankfurt accompanied by several advisers and Nuclebras President Paulo Nogueira Batista, leaves today for the United States. He also arranged a \$300 million loan for the Brazilian nuclear program that is to take effect at the beginning of next year, through Dresdner Bank and Deutsche Bank.

In his talks with German businessmen and authorities the planning minister did not show any haste about a final decision on the last four power plants provided for in the nuclear agreement. Delfim Netto reaffirmed, however, the commitment to buy and build eight plants, explaining that performance "is in keeping with what was planned."

## Recovery

After being greeted by the chairman of Deutsche Bank's board of directors, Werner Blessing, the planning minister gave a talk about what he called "Recovery of the Brazilian Economy."

"There is no better organized debt than ours, more faithfully met than ours, and all bankers are glad to lend to us. Our foreign debt has fallen substantially in relation to the volume of exports," Delfim told the press after the meeting with the bankers.

Delfim explained to the German bankers that the most critical phase of adjustment has been overcome by the Brazilian economy, at the same time he criticized the industrialized countries:

"They have put themselves in a paradoxical situation. They adopted recessionary policies to combat inflation, which eventually raised the specter of unemployment. Then, to combat unemployment, they resorted to protectionist practices, particularly injurious to imports from developing countries."

## FINANCE MINISTER: NO NEED FOR FURTHER INTERVENTIONS

Santiago EL MERCURIO in Spanish 24 Nov 81 p C-1

[Text] Minister of Finance Sergio de Castro indicated that the inflation rate for this year will be under 10 percent, and that the wholesale price index will be lower.

The finance minister made these statements at the opening of the XIV Interamerican Accounting Conference held in the Diego Portales building, attended by 786 delegates from 22 American nations.

In his speech, De Castro referred to the evolution of the Chilean economy from a government-run pattern to a system of free competition.

He pointed out the successes in economic growth, and particularly stressed the government's expenditures on social programs, which have doubled between 1970 and 1980.

He recalled that the real increase in wages beginning in 1976 is an average of 13.4 percent per year; the Gross Geographic Product [Gross Domestic Product] (PGB) has grown at a rate of 8.2 percent per year since 1977, an increase of 6.5 percent per person, or more than four times the average increase between the years 1930 and 1970.

"This large increase in the income level has permitted an equally impressive increase in social expenditures, which have doubled in real terms between 1970 and 1980, and have been consciously directed toward the most disadvantaged sectors of our society."

Elsewhere he declared that Chilean dependence on copper has been reduced, since in 1973 exports of the metal represented 82 percent of the total foreign exchange income, and only 43 percent in 1980.

## Finance System

At the conclusion of his speech, the minister was interviewed by the press and asked about the eight financial institutions which are presently intervened. With regard to the current situation in the capital market, he said, "It is normal. Haven't you noticed?"



Regarding further interventions in the sector, he stressed that the situation in the finance system is normal, noting that "there are no reasons to intervene anything."

#### Budget Law

Elsewhere, he announced that the 1982 Budget Law should be signed today, and published this weekend in the Official Gazette. "The budget is very similar to last year's, and still is characterized by having no deficit."

#### National Bankruptcy Office

Regarding the goal of creating a body such as the National Bankruptcy Auditor's Office, he noted that "its objective is to attempt, by means of mechanisms of the private sector itself, to settle bankruptcies in such a way that the government would not have any part in it. Clearly these processes need great vigilance, and that is the role of the auditor's office," he said.

The bill creating that body is under study by the legislative committees.

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CS0: 3010/415

## ECONOMIC FLEXIBILITY, FAITH IN PRESIDENT SAID NECESSARY

Santiago LA TERCERA DE LA HORA in Spanish 6 Dec 81 p 3

[Article by Pablo Rodriguez Grez]

[Text] For several years, at the risk of being intentionally misinterpreted, I have been calling attention to certain deviations of an economic nature that may have serious political consequences. It is those political consequences which worry me most, the reason being that--as I have annoyingly been maintaining--economic crises are eventually overcome--at the cost of more or less sacrifice--but political crises alter institutional processes and affect the course of history.

It is curious to note that despite the obstacles we are encountering, the vast majority of Chileans continue to feel that private enterprise has a basic role to play in our development and that we must make substantial changes in the political system that governed us until 1973. Militating against the first idea is an extremist (ultraliberal) trend characterized by a dogmatism that is incompatible with a reality that changes every day. Working against the second idea is the powerful influence of the traditional sectors, which refuse to establish a new institutional order. Those are the most powerful obstacles presenting themselves, and the opposition represented by the political parties takes advantage of them with the idea of continuing to encumber our public life.

## Economic Flexibility

Our current economic difficulties, which can be alleviated but not eliminated entirely, are being skillfully exploited by those waiting for a collapse that they can use to stir up agitation and unrest. The inflexibility with which the government economic team has approached the situation and its proverbial scorn for political factors are the only incentives keeping the party forces--whose capacity for influence should be declining every day--active. As economic activity continues in its depressed state, an almost natural effect is that the sectors being hurt should move toward the opposition and become more susceptible to its misleading slogans. What appears especially serious to me is the situation affecting agriculture. Imposing the economic model's general and specific guidelines to that productive sector constitutes an unprecedented error that will recoil on a sizable number of businessmen and workers. It is necessary to establish a system in keeping with that sector's very special characteristics. Any other approach will bring a plunge in farm production and force the country to import food products from more sensible and balanced

economies. The essential thing is to stimulate work within the country, even though our costs are properly higher. Otherwise, Chile will come to a standstill, and it will do us no good to exhibit the lowest inflation rate in the West. Accordingly, it is not a question of changing the economic philosophy, opening the door to socialism, disguising nationalizing aspirations, or taking advantage of an unfavorable economic situation. The issue is simple. If there is no work, and activity drops in all sectors, we will be rushing into a deep crisis that will serve to encourage the seditious ventures of an opposition that has so far been unsuccessful. I feel that the exchange rate, tariffs, the financial and tax system, and government expenditure are simply tools that must be handled in accordance with changing circumstances. They serve to adapt the system to distortions affecting the economy at a given moment. Failing to use them is like steering with a fixed rudder and not avoiding the reefs that rise up in one's path.

#### Political Innovation

Economic winds sow political storms. To prevent their effects, it is necessary to react in time by taking steps that will discourage the troublemakers. That is why it is advisable to design an emergency plan that will make the population understand that the approaching crisis is not the exclusive responsibility of the government but a result of uncontrollable external factors. That would prevent the success of the subversive designs of the opposition, which begins by blaming the government entirely for anything that happens. It also seems to be the right time to demonstrate that the behavior of the parties is absolutely no different than it was in the past. Although many years may pass, they will still be using the same means--a clear sign indicating that as soon as some space is opened up for them in the system, they will go back to corrupting our life together as citizens.

We Chileans must become aware that if we again permit electoral struggles through the political parties, the country will slide back down the slope leading to the disintegration of nationhood. At the same time, we must make our people understand that there has never been an opportunity like the present one to build an organic democracy whose foundations are firmly planted on the constitution which was recently approved by plebiscite and which will go into effect by the sovereign will of the nation. A rectification of this kind is no act of treason against that constitution but a reaffirmation of the completely new elements which it contains and through which political power should be generated at all levels.

Now more than ever, it is necessary to put our faith in the chief of state, who will be able, with unique vision, to deal with the approaching stormy weather and bring the ship of state into safe harbor by introducing flexibility into the economic model and encouraging thoroughgoing changes in the system and in political habits.

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CSO: 3010/474

## MINING CONCESSIONS LAW APPROVED BY JUNTA

Santiago EL MERCURIO in Spanish 2 Dec 81 p A-1

[Text] The Ruling Junta yesterday approved the Constitutional Organic Law on Mining Concessions, intended to update the sector's legal situation and establish clear rules for the future. It was explained that the law will go into effect along with the new Mining Code.

The legal text, consisting of 19 permanent and 5 temporary articles, was first submitted to the Constitutional Court for its opinion. That body gave its full approval.

The matter was settled yesterday at a session of the Ruling Junta presided over by Adm Jose Toribio Merino and is now before the president for promulgation as law.

## Concessions

The new law provides that mining concessions may be for exploration or exploitation, stipulating that the term of exploration concessions cannot exceed 4 years, while operating concessions will be granted for an indefinite period.

It also provides that any interested party can establish a mining concession with respect to any metallic or nonmetallic substance and, in general, fossil substances of any kind.

It stipulates, however, that mining concessions will not be granted for hydrocarbons, lithium, or any kind of deposit located in maritime waters subject to national jurisdiction or in zones classified as important to national security.

It also provides that concessions will be granted by a decision of the courts of justice in proceedings conducted before such courts and with no intervention from any authority or person aimed at influencing the court's decision. It adds that once a concession has been granted by the court, the administrative concession lapses.

It states that the said mining concessions covering the substances specified by this same law, or shares in such concessions, may be acquired by any person in any capacity. Only those persons listed in the Mining Code will be excluded, with their exclusion to be approved by a qualified quorum.

ne discoverer will be deemed to be the person who first initiates proceedings for establishing a mining concession on a parcel of territory not already covered by a concession. That person will be given preference as far as establishing the concession is concerned, unless he has used force or been guilty of willful misrepresentation to advance his own cause in the proceedings or to hinder the claim of the person who was actually first to make the discovery.

The law provides that if the government deems it necessary to exercise its powers to explore exclusively and exploit substances otherwise available for concession, the government must act through enterprises which it owns or in which it owns shares. Such enterprises must establish or acquire the mining concession in question and must be authorized to do so in accordance with the constitutional rules in effect.

The Mining Code will regulate the manner of protecting the rights, either as part of the procedure for establishing the concession or at a later time, of those who may be harmed by the establishment of the mining concession.

Once the mining concession has been established, the judge will order its registration in conformity with the Mining Code. He may also consider some other means of making the matter public.

#### Ownership Rights

The owner of a legally established mining concession has ownership rights over it that are protected by the guarantee provided in article 19, paragraph 24 of the national constitution.

It is also provided that every mining concessionaire has the exclusive right to explore and dig for mining purposes on any land within the limits of his concession, regardless of the ownership of that land, subject to legal regulations and the limitations and permits established in the Mining Code.

#### Indemnification

The law adds that in case of expropriation, the owner of an exploration or operating concession is entitled to indemnification for the damages actually suffered by his assets, consisting of the commercial value of his authority to initiate and continue the extraction and appropriation of the substances covered by his concession.

In case of failure to agree, the value of the said damages will be determined by the judge, acting on a report by experts. For the purpose of determining the amount of indemnification, the experts will establish the commercial value of the concession by calculating the current value of the concession's net cash flows based on reserves.

#### Obligations

The concessionaire is obligated to pay, annually and in advance, a license fee based on taxable profits in the form and amount to be determined by the Mining Code.

The mining concessionaire is also obligated to indemnify the owner of any land damaged by his concession operation.



He is also obligated to comply with regulations concerning the state's first option to buy, at the usual market prices and terms, the mineral products declared by this law to be of strategic value (thorium and uranium) because they contain specific substances in significant amounts. The law adds that owning mining rights does not entitle the owner to appropriate for himself substances not subject to concession.

A concession will lapse when a court order is issued declaring the land vacated because no bids are received at a judicial auction ordered held because of nonpayment of the business license, because the concessionaire did not register his concession within the period required by the Mining Code, or because the owner of the concession relinquishes it.

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## TECHNICAL AID PROGRAM FOR EL SALVADOR CONSIDERED

Santiago EL MERCURIO in Spanish 4 Dec 81 p C 3

[Text] Following a meeting with Brig Gen Fernando Arancibia, acting minister of foreign relations, Salvadoran Ambassador Francisco Bertrand said yesterday that "we are discussing a program of technical cooperation between El Salvador and Chile, which will further strengthen ties between the two nations."

The diplomat said that since Chile was a country "determined to support freedom, it supports El Salvador, which has resulted in the signing of a number of documents establishing a framework of reference for cooperation, although certain details still have to be worked out."

When asked about the situation now existing in his country, Ambassador Bertrand stated that it is still under government control but that the guerrillas continue their disturbances and that they are now engaging in terrorism.

He added that the guerrillas' claims of acting as an army are changing and that they have now assumed terrorist positions, destroying private and public property.

The ambassador stated that the continental position on his country has improved and emphasized that there has always been Latin American support. He recognized that there remain difficulties with certain nations outside the area, without considering the socialist area, which is absolutely contrary to the current regime.

The diplomat later discarded the possibility of armed intervention in his country or any government request for aid. However, he said that "it could happen that we would be attacked, in which case the collective defense agreements, such as the Inter-American Mutual Assistance Treaty (TRIAL), would be invoked."

In answer to other questions, the Salvadoran ambassador said that if, in next year's elections, the leftist political forces should win in his country, the results would have to be respected, even though this would mean that the "people have gone mad."

On the same subject, Bertrand said that "the government must enjoy legitimacy, which is necessary for any government in any part of the world, and we believe that this is the way to achieve it." He added that "it would also show that the guerrillas in El Salvador do not represent the people as they claim to do."

## CENSUS SET FOR 1982, COST FIXED AT \$6 MILLION

Santiago EL MERCURIO in Spanish 20 Nov 81 p C-1

[Text] The 1982 Population Census, to be taken in April or May of next year, will cost the country between \$5 million and \$6 million, according to Sergio Chaparro, director of the National Institute of Statistics.

Regarding the personnel necessary, he indicated that at the present time they are talking about 150,000 census-takers, but hiring must be done shortly before the census begins.

He noted that the cost of this national census is very low, as many other nations with the same population as Chile spend two or three times more than our country.

## Simple Questionnaire

He explained that the questions on this census, like those in previous years, refer to demographic, economic, migrational educational, and fertility aspects.

"They are simple questions, because we expect them to be answered by the entire population. Generally the housewife is the one who answers the questionnaire, and has no reason to know details of the background of the rest of her nuclear family," Chaparro said.

## Confidential Information

The spokesman urged the public to cooperate with the census-takers, who are making a great effort to go to each home to take the information in the national interest.

He stressed the importance of a population census from the economic, social, demographic, and cultural points of view, and noted that "just knowing how many of us there are, it will be possible to formulate future overall policy for the government and the entire country."

In conclusion, he reminded everyone that all information given in the census is "strictly confidential, since by law answers given on the personal or household level may not be divulged."

## FOREST PRODUCTS PRODUCTION, SALES INCREASE

Santiago QUE PASA in Spanish 19 Nov 81 p 13

[Article: "No Tears in the Forest"]

[Text] Timber! Starting from the moment that cry is heard, few people realize the complexity of the process of preparing wood--pine is preferred--or processing cellulose to turn it into newsprint.

The fact is--as we learned in school--that forest species generate resources for the Chilean economy. This is clearly demonstrated in the encouraging figures presented by our country at the fourth ordinary and sixth extraordinary assemblies of the Latin American Cellulose and Paper Industrial Confederation (CICEPLA), held recently in Santiago.

Ernesto Ayala, current president of that body, notes that, "Chile receives \$260 million, FOB, for exports, making this category second in importance for income. There are sales of 436,000 tons of cellulose, 60,000 tons of newsprint, and 17,000 tons of pasteboard for computer cards. The latter item fills 100 percent of the needs of the Latin American market. Therefore," the executive adds, "Chile is totally self-sufficient."

In addition, "logs" (unprepared wood) are exported to Japan, Korea, and China, although at the present time, as Rainer Fuentealba, business manager for Forest Industries (INFORSA) indicates, that market is at a standstill. "Moreover, because of the worldwide recession, construction has declined noticeably, affecting the shipments of sawn lumber, traditionally sent to the Middle East and Argentina."

Ah, This Is Imported!

As both spokesmen have stated, Chile is a great producer of forest resources: it is self-sufficient, it exports, and generates a considerable amount of foreign exchange. Then why do we see imported products--notebooks, special papers, and other things--manufactured in the same countries to which we sell the raw material? Ernesto Ayala makes light of the problem. "About \$40 million worth of these products are imported, a tiny amount compared with the amount of exports. At the same time, Chile has an open economy in which competition exists."

Elsewhere, Rainer Fuentealba says that "It is not a problem of quality, for Chile could also manufacture those same products. But many countries most specifically Brazil, discount their exports, making competition difficult." He notes that the authorities have asked for corrective measures to stop unfair trade practices, "which does not mean we are asking for discounting. We have not done that for the past 8 years and everything has gone well."

The imported papers commonly found in business are the so-called "white" papers, and only some types. Never newsprints, because to bring them from other producer areas would be extremely expensive and a risk not many businessmen would want to run.

#### Forest For a While

At the present time, Chile is second in Latin America in terms of forestation and hectares planted (Brazil is first). In addition, as the INFORSA executive says, "We have comparative advantages with regard to long-fiber plantings, such as pine, which have greater resistance. Short-fiber trees like eucalyptus and other species, are also coming along, but other countries have better climatic conditions for their cultivation."

Despite the worldwide recession, which, obviously, has brought some exports to a standstill, the figures presented to the CICEPLA Assembly show that for the present year, 91,000 hectares have been planted in Chile, compared with an average of 70,000 hectares in the past 8 years. For the most part, this has been done by the private sector. This shows that the forest is being viewed with an eye to the future, and worked in an organized way. There are still some who fear indiscriminate exploitation of the native forest in the southern part of the country.

It is estimated that, if 50,000 hectares annually are planted for the next 10 years, at the end of that time, we will have over a million hectares in forest, which could generate about \$2 million in income. If that amount could be achieved today, it would be extremely important, for our exports total nearly \$4.5 million.

"These goals are not unattainable. We have already exceeded many figures in previous years, and we hope to continue doing so," Ernesto Ayala affirms proudly.

Chart:

#### PAPER (in thousands of tons)

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Production	310	316	309
Imports	57	54	48
Exports	104	82	58
Apparent consumption	263	288	299

Source: Report present by Chile at the CICEPLA Assembly held recently in Santiago.

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## COMMENTATORS LOOK AT VARIOUS INTERNATIONAL ISSUES

## Guatemalan Crisis

Havana PRISMA LATINOAMERICANO in Spanish Nov 81 p 2

[Commentary by Carlos Mora Herman]

[Text] They found it there, in that crude shack held up by eight poles and topped with a palm-frond roof, in a village that had no name but which some called Santa Cruz del Naranjo.

In that mirror, worn by time, the heat, and disuse, they looked at themselves for the first time after many months of wandering through the jungle, and they saw how much they had aged.

Those fifteen men, a small group, constituted the nucleus of the Edgar Ibarra guerrilla band, from which, years later, the Poor People's Guerrilla Army (EGP) of Guatemala arose.

If we look back and place ourselves in that time--1970-1976--we understand better those men whose faith was able to move mountains; men who engaged in an enormous battle, not only against the hired assassins of the succession of pro-American regimes that has held power in Guatemala since 1954, but also against hunger, disease, nature, and solitude, a solitude which in those surroundings makes you fervently hope to catch the first parrot you see in order to brighten your life.

Looking back with our feet firmly planted in the present enables us to better assess the process of the Guatemalan rebellion, which has entailed a consistent struggle to regain the future that opened ahead when Jacobo Arbenz, a very young man in shirtsleeves, talked to his fatherland's poor about their rights and the fact that the land belongs to those who work it.

Those heroic years--just as the present days of guerrilla warfare in the country are heroic--began after a preparatory phase lasting several months, on the banks of the Ixcán River and in the Patara region. Moving along roads used by chicle gatherers and tenant farmers, they carried arms and ammunition and built the minimum social foundation needed to support a people's war.

Early days that now are worthy historical testimony of the Guatemalan people's struggle.

A powerful evocation of the guerrilla epic; the sound of cicadas mixed with the roar of the river; suffocating heat, humidity, and malaria; hammocks, tamales and beans (when there were any), and jaguar tracks.

Learning the jungle. Looking for reference points to help use of the compass. Continually enduring the plague of mosquitoes and gnats. Finding out which are the right leaves for wrapping tamales and learning which reed can be used to make tea and, moreover, to bind house frames.

It is necessary to learn something about what at times can be a matter of life or death: distinguishing among snakes, knowing the deadly coral snake, with its red and black rings, and the velvety "barbamarilla"; and knowing how to find your way in that silence of butterflies and glowworms.

Food is a constant concern for guerrilla fighters (remember "Che's Bolivian Diary," 1968).

In the circumstances experienced by this founding nucleus of the EGP, the guerrillas were acutely aware of what they themselves called "the sounds that told the hours," when a sharp ear caught the lament of the espumuy [a kind of dove], the commotion made by the monkeys, or the calls of turkey hens in flight.

These were heard in the late morning, near time for the frugal lunch composed of cold leftovers from breakfast, for fires were lighted only at night.

In late afternoon, the final uproar of parrots and macaws takes place. It is time to gather firewood, light the fire, and hang up the hammock.

The mystery of that hour lies in the fading of the light and the beginning of night. Flying creatures fall silent, and the sounds of the nocturnal mammals are now heard: the howl of the red coati, the cough of the kinkajou, and the intermittent song of the "caballero" or "atajacaminos".

And, like a great shadow cast on the enormous screen of the night, an army of hungry, ragged fighters for the poor.

The first meetings with the inhabitants of the region, nearly all of them illiterate, their only contact with the outside world being a radio, were an unforgettable experience.

Moments of rejection, distrust, fear. People who hide in their dialect and hamper communication. A terrible word emerges: maca (There is none); it immediately assumes a connotation of centuries-old distrust.

The enterprise moves on, the scenes pass one after the other in a profoundly dramatic fashion, with an occasional touch of humor that gives the operation a bittersweet aspect.

The men go on marching, and their aching feet, at times bleeding inside the worn boots, keep up a steady military pace.

They sing to buoy their spirits; "Guatemala, the time has come to call your tyrants to account . . . "; this is the Edgar Ibarra guerrilla group's march, composed by Rigoberto Molina.

Santa Maria Tzeja, the village of Rubelolom, inhabited by Kekchi Indians of Alta Verapaz, the banks of the Chixoy River and the Quiche Mountains in northern Guatemala are some of the areas visited by these men who launched the struggle now carried on by the EGP.

All this and much more is found in "Jungle Days," the book awarded the prize in the first-hand account category by the Casa de las Americas [House of the Americas]. It was written by Mario Payeras, one of the men who as a guerrilla fighter in 1972 was involved in the first actions in the Guatemalan jungle intended to light the bonfire of the struggle that today is shaking the tyrants oppressing their people.

#### Thatcher's Problems

Havana PRISMA LATINOAMERICANO in Spanish Nov 81 p 21

[Commentary by Miguel Rivero]

[Text] Northern Ireland not only has the sad record of being the region of Great Britain with the highest unemployment rate but it also has the highest proportion of people imprisoned for political reasons.

Ten young members of the Irish Republican Army died in a hunger strike at Maze Prison. Their average age was 25.

In our time it is relatively common to adopt the determination to fight for a cause and give one's life in a violent encounter. To die on a bed, though, after 2 months of a hunger strike, requires a will of iron.

In the case of the hunger strike at Maze Prison, it should be borne in mind that it was not only the striker who took pride in that determination. His relatives stood by his bed during the final days. By simply lifting a finger when their son or husband was unconscious they could have had him moved to a hospital and saved from death.

Ten families chose to respect their loved ones' wishes and watched them die. Slowly.

The objective of these young men was limited to a number of demands that, in essence, meant that to an extent they be given the status of political prisoners.

Their crimes were political in nature. They were members of the Irish Republican Army (IRA), which is fighting for that territory's independence. For over 600 years it has been under the British crown owing to the expansion that took the British to the four corners of the world, assembling the empire "where the sun never sets."

Six young IRA members halted their strike in early October. The hunger strike had lasted for 216 days, after Bobby Sands began it on March 1 of this year.

A document smuggled out of Maze Prison stated that the last strikers made that decision against their will and did so because their relatives had indicated that they were prepared to intervene to save their lives. As a result, the strike was not going to reach its natural conclusion.

The relatives' spirit was broken through an intensive propaganda campaign and the exertion of pressure. The prisoners' spirit was not broken, however. Consequently, the problem still exists.

Customarily, many periodicals try to portray the conflict in Northern Ireland as a problem between the Catholic and Protestant communities.

According to this version, the members of the IRA are simply "common criminals."

The principles proclaimed by the IRA are clearly political: They are fighting and dying for Ireland's independence.

Statistics show that a genuine war is taking place in that land. Let's look at the figures for casualties in Northern Ireland for only the last 12 years; that is, since the stationing there of British troops:

Civilians: 1,532 dead and nearly 13,000 wounded.

Policemen: 154 dead and nearly 1,300 wounded.

British soldiers: 344 dead and over 3,000 wounded.

A simple computation shows that during that 12-year period an average of over one casualty per day has occurred among civilians, policemen, and soldiers combined.

The government of Prime Minister Margaret Thatcher insists on not acknowledging that a political struggle is taking place in Northern Ireland.

Until a few weeks ago Thatcher's Conservative Party and the Labor Party held similar views concerning that conflict.

However, at the 80th annual gathering of Laborites, which took place in the seaside resort city of Brighton from 27 September to 2 October, an independent policy was drawn up that recognized the right of those in Northern Ireland to enjoy self-determination and the right to a united Ireland.

The resolution is extremely important because many political observers agree that the Laborites will be favored by the British electorate in the 1984 elections. That is in the event that Margaret Thatcher serves her full term, for an earlier election could bring the Laborites into Number 10 Downing Street (the prime minister's residence) sooner.

If, as many expect, the Thatcher government does not take advantage of this opportunity to find effective solutions, regarding not only the prison but also

the conflict as a whole, the leaders of Sinn Fein (the IRA's political wing) have announced that the struggle will continue and that "new successes in the coming months" will be observed.

Thus, everything indicates that Northern Ireland will be an issue that will remain in the headlines.

#### Reagan Economics

Havana PRISMA LATINOAMERICANO in Spanish Nov 81 p 58

[Commentary by Jose Bodes Gomez]

[Text] One of the few economic plans announced by present President Ronald Reagan during his electoral campaign and one of few carried out during his first year in office, is that of modifying the "aid" that the United States gives to developing countries. The politician from California promised the electorate that he would reduce unemployment and inflation to pull the country out of the difficult economic situation in which James Carter's administration had left it. Thus far, those objectives have not been achieved, and everything indicates that considerable time will pass before they can be attained, if this does finally occur during the 1981-1985 presidential term.

What is certain is that the present United States Government has already carried out its plans to reorganize the system of foreign economic aid, and in this regard its policy is worsening the conditions under which that aid was being given.

Two decades ago, the industrialized nations, among which the United States occupies a leading position, committed themselves to allocate .7 percent of their gross national product Official Aid to Development (OAD). This commitment was solemnly undertaken at the United Nations, but in reality very few developed capitalist countries have met it, nor have they done so throughout the life of the commitment.

The United States' conduct relative to OAD has been even worse than that of many of its western confederates. During the 1960's, allocations to this category by American governments ranged around .5 percent, while during the 1970's they fell to less than .2 percent.

According to a recent issue of the magazine BUSINESS WEEK, the key to the present reorganization of foreign aid lies in giving priority to the countries that supply raw materials for the U.S. arms industry. This idea turns out to be a complement, in the international sphere, to the budgetary policy put into practice by the Reagan administration. The goal of this policy is to increase military spending to the highest figure attained in history.

Of course, the stance adopted by Washington is a complete negation of the development objectives for which OAD was conceived.

Moreover, the United States Government intends to limit the granting of loans and credits by the World Bank and the International Monetary Fund to developing



countries. The secretary of the treasury, Donald Regan, has said so. This means that Washington will make use of its dominant position in those two institutions to "select" the countries receiving such loans.

The White House has already implemented this policy in the sphere of bilateral relations; an example is the brutal suspension of the credit approved in 1980 by the U.S. Congress as aid for the reconstruction of Nicaragua. The intention is henceforth to extend that policy to international bodies and thus step up economic boycott measures taken against governments that are not to the liking of the present administration.

In the commercial sphere, the situation is getting worse. In a study prepared at the beginning of this year by the secretariat of the Economic Commission for Latin America, there was already the warning that "despite the advances occurring in certain aspects of United States commercial policy, new elements have arisen, and others have been strengthened that cause a sharpening of its protectionist tendencies."

As a remedy for the trade deficit recorded each year in Latin American commerce with the United States, officials in Washington are proposing a greater openness to private investment as a channel for incoming foreign currency for underdeveloped countries and a new form of aid to development. Reality has been the contrary, and this was very explicitly stated by the Latin-American representatives who met last May in the 19th ECLA session.

"The growing participation of the multinational firms that dominate strategic sectors with the greatest dynamism and most rapid technological progress in the region's economic activity has not reflected respect for the principles upheld by the international community in the bill of economic rights and duties of states." Such a forthright denunciation is not common in United Nations texts, and it angered the United States' representatives, who not only refused to sign the document but with typical acrimony called it "paranoic rhetoric."

The United States Government is a born representative of the monopolies. This is evidenced by the fact that most of the multinational firms, and the most powerful ones, are headquartered on its soil. Nevertheless, the present administration has carried that function farther and is honoring the slogan, both within and outside the country, "Make the rich richer and the poor poorer." Of course, official language is not so transparent, but deeds are.

This is why President Ronald Reagan will have difficulty reducing unemployment in the United States. In the competitive interplay of the 8 million Americans out of work and the interests of the businessmen, the White House is tending to increasingly favor the monopolies.

The developing countries, our countries, are aware that Washington is not treating them any better than its unemployed. And they don't even pay us social security as compensation for the profits the multinationals carry away.

## U.S. FOREIGN POLICY POSITIONS DESCRIBED, SCORED

## Bacteriological-Chemical Warfare

Havana PRISMA LATINOAMERICANO in Spanish Oct 81 p 2

[Article by Carlos Mora Herman: "The Silent War"]

[Text] In 1959, 22 years ago, the Pentagon in the United States spent \$35-40 million on the chemical and bacteriological weapons program.

In 1968, 9 years later, expenditures on this item went up to more than \$400 million and currently the figure is in excess of \$10 billion, authorized by the Pentagon for the manufacture of chemical and bacteriological weapons, as disclosed by the daily newspapers THE NEW YORK TIMES and THE WASHINGTON POST.

The topic is not new. The United States seems to feel a special predilection for the use of these dirty methods of warfare. Vietnam is dramatic testimony of a not too distant past and El Salvador is a recent example also.

The unscrupulous concept regarding the use of this type of weapon likewise is nothing new.

When he was secretary of defense, Melvin R. Laird proclaimed that the use of these weapons was "essential to national security."

These criteria not only persist today but have been improved and expanded.

A dispatch from Prensa Latina Agency, dated in New York last August, reveals that the Pentagon has ordered the storage, at the base in Tule, Utah [as published], of bombs each of which contains 346 pounds of toxic substances with high destructive power.

These weapons are being stored not only at the Tule base but also in factories in Arkansas and in the Rocky Mountain arsenals in the State of Washington.

Years ago there were reports in the State of Utah concerning the contamination of vast areas where chemical-bacteriological experiments were being carried out at a warfare center of this type, known as Dugway.

A book entitled "The Silent Arms" was published in the United States in 1969. Its author, Robin Clark, revealed in it that more than 50 United States universities had received requests for conducting research on chemical-bacteriological products for military purposes.

At that time a plan of the government in Washington was exposed concerning the use of chemical resources against Cuban sugar cane.

Congressman Richard McCarthy declared that the United States had been just about ready to use biological warfare against Cuba during the October crisis.

That same congressman then said that the United States was developing testing disease-carrying arms, such as cholera, anthrax, dysentery, brucellosis, diphtheria, paratyphoid fever, tuberculosis, gastroenteritis, and others.

Hoof-and-mouth disease, hog cholera, equine encephalomyelitis, and other viruses were being tested against animals.

All of the above is corroborated by the denunciation made by Fidel Castro, president of Cuba, during his speech on 26 July, when he accused the CIA of having introduced agricultural pests and diseases into Cuba which struck the country in recent years, especially so-called "hemorrhagic dengue fever."

Last year, the United States Congress approved the construction of a new factory for the construction of gases which attack the nervous system.

As was explained in the United States press, the manufacture of chemical-bacteriological weapons is extremely cheap as compared to other types of armaments.

To give an example, it is said that 1 liter of a product known as "sarin" costs only something like \$5 and can cause the death of a million persons.

The magazine SCIENTIFIC AMERICAN revealed that the United States armed forces have more than 3 million projectiles that release bacteriological products. To avoid the risks connected with the storage of these products, so-called "binary weapons" have been created; they contain two separate chambers in each of which there are harmless substances which are mixed at the moment they are used and whose strong chemical reaction forms the deadly gas.

The modern gases which attack the nervous system cause symptoms such as intensive sweating, mucus in the bronchia, respiratory insufficiency, blurred vision, vomiting and diarrhea, dizziness, muscular vibration, respiratory arrest and finally death which takes place in a few minutes.

Among chemical weapons there is the so-called "Agent Orange" which was widely used as a defoliant in Vietnam and which has caused epidemics and diseases never known before in Southeast Asia.

There are also geophysical weapons through which one can bring about geological phenomena such as earthquakes, seaquakes, rainfall, and drought.

A report submitted to the United States Senate detailed the properties of BW agents, such as certain chemical compounds used to inhibit or destroy the growth of plants.

All of this and much more is a part of the American war Arsenal.

The present administration in the United States, the administration of Ronald Reagan, has the intention of using these weapons.

They are preparing for a hallucinatory silent war in which the bullets and projectiles will consist of diseases and natural disasters caused by them.

This is something which the imaginative mind of the best science-fiction writer would not be capable of describing.

SWAPO, CIA

Havana PRISMA LATINOAMERICANO in Spanish Oct 81 p 21

[Article by Alcibiades Hidalgo: "Another Turn of the Screw"]

[Text] While, by the grace of Poseidon, the mythical Proteus has the ability to change his shape as desired to achieve the most effective deceptions, South Africa --which rather ostentatiously labels military operations with the names of Greek gods--on the other hand has a single possibility of identification: the aggressive regime which prevents peace in the southern part of Africa.

"Operation Proteus," as the most recent invasion of Angola by South African forces was called, confirmed this statement which is much more tangible than any other mythological reference coming out of Pretoria.

This was the biggest, the deepest penetration into Angolan territory since that country became independent in 1975, after beating back the first major aggression by the troops of South Africa which had not come to terms with the end of Portuguese colonialism.

Since then, there have been many opportunities to demonstrate the aggressive nature of the apartheid regime toward the independent African states. On no less than six occasions, in other words, practically once a year, the white soldiers of Praetoria in large numbers crossed the northern border of Namibia in presumed punitive operations against the fighters of SWAPO.

In October 1977, they inflicted severe damage upon the nascent Angolan Republic; in May 1978, they left hundreds of dead at Cassinga as an unerasable sign of their barbarism; in August of that same year and in March 1979, they again staged large-scale raids. Then came "Operation Smokeshell" in June of last year, followed by "Operation Sceptic" which lasted several days.

Since January of this year, raids have been conducted with increased frequency.

Last June, the Angolan Defense Ministry denounced a whole list of violations of national sovereignty: 175 reconnaissance flights, nine bombing missions, three landings of helicopter-borne troops, five land attacks.

The provinces of Cunene, Cuando-Cubango, Mocamedes, and Huila were turned into the systematic target of a regime--not even a neighboring one--which recognizes no frontiers: Mozambique, Zambia, and even Zimbabwe are not safe from bold South African repression.

The last act of aggression however has caused unprecedented commotion among international public opinion. Not only because of its proportion which exceeded that of any other South African attack previously conducted against an independent state. But also because of its objectives, directed not only at Angola but against the Namibian nationalist movement and designed to set fire to one of the points of conflict in the world today, obviously with the United States complaisance.

The intentions of the South African invasion which extended into Angolan territory to a depth of 200 kilometers were revealed as the weeks passed and as the presence of the forces of Pretoria continued in various provinces in the southern part of Angola.

The government of that African country denounced the intention of perpetuating the occupation of a portion of its territory for the purpose of more openly supporting the counterrevolutionary movements sponsored by the invaders themselves, interrupting the nation's economic growth, and, through the creation of a de facto situation, to frustrate any attempt at negotiation on independence for Namibia.

JORNAL DE ANGOLA reported the intent of holding on to a strip of border territory with Namibia which would be made into a safety corridor to be used by the Turnhalle Alliance which South Africa intends to keep in power in Windhoek.

A similar possibility had been outlined in June 1979 by the daily WINDHOEK ADVERTISER, of Namibia, which considered the results obtained by Israel in using a similar method in the southern part of Lebanon where the satellite forces of the deserter Saad Haddad control a "buffer zone" intended to prevent Palestinian operations.

At a time when the Namibian issue is the center of anticolonialist activity on the continent, such undertakings leave no doubt as to South African intentions on that point.

Nor are there any doubts about the tacit interest of the United States in these new winds of torment in the southern part of Africa. The Republican administration--even before taking over--referred to the apartheid regime as "an ally of the West." Its practical attitude toward South Africa during the 6 months of the administration so far corroborated this opinion.

From the renewal of public contacts between both governments on very high levels, the justification of aggressive South African actions in international forums, the declared intention of abolishing the restrictions imposed upon the operations of the CIA against Angola during the prior democratic administration, all the way to the new American plans for Namibia--everything points to a definite direction in Washington's policy intended to free the hands of South Africa in its challenge to the entire continent.



It was not by chance that it was noted in the capital of the United States at the start of the South African invasion that the CIA has, since last March, resumed secret operations against Angola and, moreover, that the debates in Congress, to repeal the so-called Clark amendment, which expressly prohibits this type of activity, was resumed in September.

This is not just one turn of the screw but several turns of the screw to get the implements of war ready. Not only on the part of South Africa but also on the part of the bellicose United States government. Not only against Angola but also against other African peoples and international peace. The results, we said, are unpredictable.

#### Underdevelopment, Capitalism

Havana PRISMA LATINOAMERICANO in Spanish Oct 81 p 58

[Article by Jose Bodes Gomez: "The Horoscope of Professor MacNamara"]

[Text] "Out of every ten children who are born to poor parents, two die within a year, another one before reaching the age of 5, and only five live until the age of 40."

This paragraph was not copied from a denunciation by a left-wing political organization, as some prejudiced reader might perhaps think, but instead was taken by us from the "Report on World Development" which was recently published by the World Bank, certainly not suspect of leftism, as we all know.

Poverty is becoming increasingly serious throughout the world and even the most optimistic studies admit that the number of persons who live in absolute poverty is increasing, in spite of the fact that, proportionally, this scourge declined during the last decades in developing countries.

As a symptom of this deterioration, we observe that we now recognize a degree of poverty which is even lower than poverty as such--and it is called absolute poverty. It means, in addition to low income, malnutrition, poor health, and lack of education.

Among those of us who live on this planet, there are something like 550 million people who will not reach the age of 50. They are those who live in conditions of absolute poverty.

Being poor, according to the World Bank, is something like a fixed destiny in the lives of these people, an inheritance from which it is very difficult to escape. "There is a tendency for poverty to persist in specific localities, families, and social groups down through the generations," the report says with its phony scientific tone which sounds more like a horoscope: "Those born under the sign of poverty will be poor throughout their entire lifetime."

In some school textbooks, studied by many children in Latin America, the lazy people and the stupid people are the poor people. In other words, the belief is inculcated that the difficulties inherent in a social system, such as unemployment and economic crisis, are the products of individual forms of conduct.

This theory, simple though it may seem, is used as an introduction to the fairy tale of the "self-made man" who is immortalized in each issue of the magazine SELECCIONES [Reader's Digest].

In the long list of poor people who became millionaires, old Rockefeller is a classical figure. Sometimes history includes an ingredient of good luck and then it is not hard work but pure chance that made some of those people rich. In other words, comfort is within the reach of everybody, all we have to do is to get ready to achieve it and to make sure that luck will be with us.

Reality, as not even the World Bank was able to hide, is very different.

In the United States, presented as a society of "opportunity for everybody," 40 percent of the people get only 15 percent of the income while the "elite" (10 percent of all Americans) get 25 percent. These statistics, we want to emphasize once again, come from official sources.

In general, including all of the countries of the capitalist system, both industrialized and underdeveloped, one-fifth of the population--and that group includes big and medium businessmen, well-off rural property owners, politicians who get rich from the public treasury and others of their ilk--gets between 37 and 68 percent of the income.

At the opposite end of the scale, we have 20 percent of the low-income population who do not even get 10 percent of the income in any of the capitalist countries.

This situation of social injustice and economic inequality is known in diplomatic terms as inequitable societies.

The Regional Action Program, approved by DEPA [Economic Commission for Latin America], during its 19th session held this year in Montevideo, repeats that the concept of integrated development presupposes "that economic growth must be accompanied by redistribution."

The exact opposite has generally happened in Latin America. The example of Brazil is very eloquent: half of the income goes into the pockets of one-tenth of the population. The "economic miracle" enriched a few people and plunged more than two-thirds of population into poverty.

The United States liberals, who obtained great influence in the White House during the administration of John F. Kennedy, proposed a redistribution of incomes which would be capable of calming the concern for justice for millions of Latin Americans who in the example of Cuba saw that only a revolutionary way and not the reformist way would win them a better destiny. The oligarchs of Latin America, which is what the rich have always been like throughout history, did not yield a single acre of their big estates. The agrarian reform turned into a "dirty word" and then became a big lie since all governments in Latin America insist that they have carried it out whereas the truth is that those that really transformed the rural areas can be counted on the fingers of one hand.

The capitalist system is based on private property and those who have property and comfort say that it took them a great effort to achieve that position. Hence, their workers have also worked hard but they have been less fortunate. As the World Bank says, there is a "tendency toward poverty" which persists throughout the generations.

Arguments along these lines remind us of the old nobility. The rich are descended from "blue blood" and the poor must resign themselves to their lot.

But that is where the problem is: the poor do not resign themselves to that "lot" and they demand their right to a just life ever more forcefully.

5058

CSO: 3010/465

## FAR FINANCE OFFICIALS DISCUSS ORGANIZATION

Havana VERDE OLIVO in Spanish 29 Oct 81 pp 52-55

[Interview with Rene Leon Fourquimin, general treasurer, Second "Frank Pais" Eastern Front, by Mario Rodriguez: "Two Decades and Three Stages"]

[Text] On the occasion of the 20th anniversary of the finance sections of the FAR, VERDE OLIVO is publishing below the text of a conversation held in our editorial offices with Rene Leon Fourquimin, general treasurer, Second "Frank Pais" Eastern Front, currently vice minister of education; Brig Gen Juan Antonio Rodriguez Perez, chief, MINFAR [Ministry of the Revolutionary Armed Forces] directorate; and Lt Col Emilio Alvarez Sabas, finance directorate official. During the conversation, these three founders of the finance department of the FAR contributed their valuable experiences regarding the effort to perfect and develop the operation of this important sphere of military activity down through the years.

Question: Comrade Fourquimin, you were general treasurer of the Second "Frank Pais" Eastern Front. What can you tell us about the development of finance activities in that field.

Rene Leon Fourquimin: To explain the development of the finance department, we must analyze the background of this operation which goes back to the start of the revolutionary war in the Sierra. It was perfected fundamentally in the area of the Second "Frank Pais" Eastern Front--a task which undoubtedly yielded valuable experiences.

Under the conditions of guerrilla warfare, the solution of problems dealing with financing and materiel supply assumed unique importance. The Second Front performed these functions from the very beginning and they were perfected as the struggle developed.

It is important to underscore that, when the Second "Frank Pais" Eastern Front was established, the guerrilla groups operating in the area were using rudimentary methods of collecting materials and money; however, the most important flow of supplies came from the contributions sent by the 26 July Movement from the towns closest to the area in which each of the groups operated.

With the opening of the Front, the requirements of the troops increased and it became necessary to work out more permanent methods for obtaining resources. For this purpose we established the treasury delegations and subdelegations in the companies of the various columns. They had the job of collecting a 10-percent tax on the value of goods to be sold as an effective measure of financing wartime expenditures.

This was communicated to the producers and merchants at the proper time. There was a double purpose behind this measure: The first one was of an economic character and the second one was political in nature because the important thing was to guarantee the material and conscious commitment of fundamental forces that had to be drawn into the struggle.

The war tax (10 percent) was spelled out in Military Order No 39, dated 4 July 1958, calling for the creation of the treasury delegations.

This tax was levied above all on agricultural, forestry, livestock, mining, and commercial products, with the exception of those intended for direct consumption by the producer.

The main source of revenues through taxation came from coffee, an item of extraordinary importance in this eastern zone. This is why the tax on coffee production was subject to special regulations.

Starting in October 1958, we began a qualitatively new process of organization which unified the administrative and financial structure in the territory of the Second Front. For that purpose, the then commander Raul Castro issued Military order No 49, an organic law which definitely spelled out the organizational structure of the Front's administration; this resulted in greater supervision and vigilance.

Article 50 of this law regulated the creation of the finance department and its functions, in other words, the collection, custody, and distribution or payment of monies held by the Second Eastern Front, as well as the inspection and supervision of funds.

Military Order No 52 was issued on 12 November 1958, establishing the final structure for the finance department.

This department was made up of a central directorate, representative of the highest authority for the implementation of financial policy in the liberated territories, made up of the office of the chief, an inspection section, and an administrative section.

In each column we created districts made up of a chief, a treasurer, and a secretary whose functions were intended to direct the operation of the delegations and subdelegations which in turn had to submit reports on the development of economic activities.

Question: Could you explain to us the role played at the time of the triumph of the revolution by the finance agencies in guaranteeing the financial and material backup support of the troops?



[Answer] As far as that goes, I can tell you that, in January 1959, the finance department moved to the city of Santiago de Cuba. Its immediate mission was to assure the collection of resources necessary for the troops upon their arrival in Santiago so that they could then continue on to other provinces.

Personal delegates of the general treasurer were appointed in the various zones in which the delegations were stationed, with the mission of collecting all documentation and selling all stocks of merchandise obtained through the collection of taxes or through confiscation. In addition, an important task assumed by this department consisted in collecting the voluminous debts which the Rebel Army had contracted in the Eastern Province, checking them out, and repaying them properly.

The finance department not only did an important financial job during the armed struggle but also guaranteed the financing of the Rebel Army during the first few months of 1959, using all available means.

During the first few days of March 1959, the financing of the troops in the city of Santiago de Cuba became the job of the First Military District which is why the treasury, which had been created in that city, was closed down.

At that time most of the personnel assigned to that treasury was transferred to the "San Ambrosio" main base and, starting in April, these people began to work in the finance section of what was then the "G-4" logistics directorate, replacing the specialists of the army of the tyranny.

To enable the members of the Rebel Army to take up this new assignment, it was necessary to set up courses in this specialty and to train these people in their new functions.

Around October 1959, the Rebel Army's finance specialists had already taken over most of the work in this specialty.

Starting in 1960, after the establishment of the Ministry of the Revolutionary Armed Forces, it was decided to combine the finance agencies of the Rebel Army, the National Revolutionary Police, the Revolutionary Navy, and the Rebel Air Force in a single agency with headquarters at the "San Ambrosio" barracks.

This agency continued until the end of 1961 when the FAR were reorganized and when the National Revolutionary Militias were integrated into the combat units.

As a result of this reorganization, it was decided on 25 October 1961 to create the Finance Section of the Revolutionary Armed Forces, with the mission of taking care of the financial supply of the new recently organized military groups.

The date of organization of this specialty in the FAR since then has been considered to be 25 October 1961.

Question: After the establishment of the Finance Section of the General Staff, what tasks did this agency accomplish thereafter?

Lt Col Emilio Alvarez Sabas: Parallel to the establishment of the Finance Section of the EMG [General Staff], we established the financial sections of the units down to the echelon of independent battalions. In this way we organized the entire finance field which afterward was reorganized on several occasions in accordance with the real requirements during each stage until it took on its current organizational structure.

The basic mission assigned to the finance field was to create a decentralized financing system capable of guaranteeing and providing backup support for the execution of cash transactions engaged in by the military units, both for the purpose of pay disbursement and for combat and political training as well as the improvement of the living conditions of the troops. The first step aimed at attaining this objective was taken in August 1961 in a house situated at Loma and 39 [-th Street], Nuevo Vedado, in a place known as "Point 1."

Early in November of that year, the Finance Section moved to the MINFAR building which at that time was located on Puerto Avenue; later on, due to space problems, it was located on the ground floor of the "Aracelio Iglesias" Building where it stayed until the MINFAR was moved to the "Sierra Maestra" Building.

In November 1961, the Finance Section began to receive valuable assistance and guidance from the first Soviet specialists. During that time the section among other things worked on the preparation of accounting records for cash transactions in the units. These records were simple and very similar to those currently in use although they were quite in keeping with the phase that began to take effect as of FY 1962.

The Section devoted itself to the development of the basic outlines of its work, among which we might single out the following:

The creation of the entire budget accounting system, the drafting of a manual explaining the methodology for making entries in accounting records, as well as other aspects relating to financing. The Section also distributed the budget allocated to the FAR for the year 1962 and drew up the new expenditure category criteria.

After these initial organizational factors had been combined, we established the task of training personnel who, starting in 1962, would be doing that job in the military units which had previously been assigned their finance sections.

A 45-day, in-house training course was organized for this purpose in December 1961 in the 111th Battalion of the MNR, stationed at Monzon and San Miguel. In this course, instructors taught a program including classroom sessions and practical exercises covering the new system.

This effort made it possible, starting in January 1962, to accomplish the assigned task and at the same time to assure the rapid financing of the missions assigned to the military units.

In 1962 and 1963, after the establishment of the monetary recording system, the basic task was to make inspection and practical assistance visits to all units

with their own finance sections; this produced highly satisfactory results because these visits made it possible to get an idea of the difficulties and shortcomings arising in the course of the work; besides, new and important lessons were learned.

As a result of these inspections, various measures were instituted to eliminate the shortcomings discovered during the course of the work.

With the lessons learned, it was possible to create favorable conditions for the perfection of the established system. This made it possible on 30 April 1964 to implement the first regulation on the finance management of the consumer units in the FAR--a document which was extremely helpful due to the fact that it clearly and specifically spelled out all of the activities connected with this specialty, along with the obligations and authority of the officials in the units regarding financial services.

Starting in 1964 and until 1966, we accomplished an important group of tasks, including especially those dealing with pay matters, budget, accounting systems, and the regulation for the review of documents held by the FAR units. This stage was also used to start and firm up the basic and advanced training of personnel in this specialty.

Question: Comrade Brig Gen Juan Antonio, I would like you to tell us something about the development of the finance department in recent years and how the pledges and resolutions, approved by the First and Second Party congresses were carried out in this specialty.

Brig Gen Juan Antonio Rodriguez Perez: There is no doubt that the finance specialists worked hard during all these years to consolidate past achievements, to perfect the established systems, and to continue the development of the entire field of military finances at the same pace at which the FAR and the rest of the various military specialties advanced.

As a part of this effort we began a stage in 1966 which was characterized by the establishment of the various systems prevailing in the country within the FAR. During that time, which lasted until 1973, we incorporated a group of comrades coming from the country's universities; most of them joined the armed forces in response to an appeal issued by the Union of Young Communists to the students in the various schools of economics.

Other comrades, who had already served in the FAR, finished their university studies. At the same time, we developed training courses for officers lasting 6 months and 1-1/2 years, respectively.

At the end of that phase, which coincided with the First Party Congress, we laid the organizational foundations and we drafted the guidance documents which later on enabled us to tackle the tasks deriving from the pledges and resolutions of that great party event.

As we all know, the First Congress was a milestone in the country's history and its pledges and resolutions were of extraordinary importance for every aspect of our nation's life and of course also for the FAR.

The system of economic management and planning, which we began to implement starting in 1977, marked a new stage in the history of the entire finance field in the FAR. As a part of that effort, we established, nationwide, the national system of collections and payments, the methodology for drafting the government budget, and the methodological guidelines for drafting the national economic plan; we also created the enterprise system on foundations which permitted the implementation of economic calculations; we organized the investment process and we developed other no less important tasks which in a short period of time enabled us to complete the development of all of the components of this system.

In the FAR as such, we created the Commission for the Institution of the Economic Management and Planning System, in which the Finance Directorate played an outstanding role.

We also established new systems for drafting the budget and for the financing of the various units, the collections and payments system, the accounting and recording system for budgeted and enterprise activities, the regulations governing the work of the finance agencies on each echelon; we strengthened control over the investment process with the introduction--for the first time in the FAR--of investment financing, differentiating this activity from activities dealing with financing of current expenditures; we created the enterprise system, introducing planning and financial control over this activity; we organized arbitration and the Finance Directorate then took over the government arbitration functions in the FAR.

Other assigned tasks, which we must not fail to mention here, had to do with the introduction of the price system approved nationwide; this was used as a basic element in financial planning by the central supply agencies, the military units, and the enterprises. We also worked to reform the system of wholesale prices and the service rate schedules; we drafted the first financial standards for expenditures and we expanded the financial review activities, strengthening the audit agencies; at the same time we perfected the financial service structure on every echelon in the FAR.

The First Party Congress also came out in favor of "the progressive improvement of the living and working conditions of officers and enlisted personnel, in keeping with the complexity of tasks and missions performed and in accordance with the social importance of their work."

To follow through on that, we made a study of military pay systems, keeping in mind the educational level required for our cadres, as well as the need for continuing to provide investments for military service and in order to remunerate in a differentiated manner those members of the military who were serving under difficult and hazardous conditions.

As a result of this study, we instituted new pay systems for NCO's and officers in 1979 and 1981, respectively; this helped raise their income levels. During the past 5-year period, we also decided to grant various benefits to military personnel; combined with an increase in pay, mentioned previously, this greatly helped in improving the living standards of officers and enlisted personnel.

I have only mentioned some of the most important aspects dealing with the guidance documents drafted and with the tasks carried out starting with the First Party Congress; their preparation, publication, implementation, and improvement constitute the materialization of the effort made to achieve the efficient organization of financial backup support for the combat training of the troops and for their combat readiness.

Recently we drafted the basic ideas for the development of a savings policy in the FAR, leading to the materialization of a group of practical measures providing impetus for the saving of technical-material, labor, and financial resources; in this way we will reduce the expenditures of the FAR, without of course in any way interfering with the accomplishment of the missions assigned to the FAR.

We continued to work in an effort to improve the guidance documents and systems currently in force and we are working hard to organize financial backup support for mobilization and for wartime.

I would not like to conclude my remarks without stressing the role played by the Soviet specialists during those 20 years of constant effort. Without them and without their valuable experience and permanent aid, it would not have been possible to achieve the level of organization we have attained.

5058

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FAR MINISTER CONGRATULATES FAR FINANCE WORKERS

Havana VERDE OLIVO in Spanish 29 Oct 81 p 54

[Congratulatory Message by FAR Minister Raul Castro Ruz]

[Text] Congratulatory message from the FAR Minister to the officers, NCO's, sergeants, enlisted men, and civilian employees on the occasion of the 20th anniversary of the founding of the FAR Finance Department.

Dear Comrades:

As we mark the 20th anniversary of the establishment of the Finance Service, we want to pass on to you our warmest greetings in recognition of the constant effort you have made down through the years in order successfully to accomplish the missions assigned to you.

You have also done an outstanding job in providing financial backup support for the combat training of the minor and major units.

We are entirely satisfied with the tasks accomplished in your special field so as to materialize, in the Armed Forces, the implementation of the pledges of the First and Second congresses of the Communist Party of Cuba, dealing with the improvement of the living standard of military personnel and the System of Economic Management and Planning.

I congratulate you on the occasion of the 20th anniversary of the establishment of your department in recognition of the effort made during those past 20 years, the accomplishment of the missions assigned to you, and the successes achieved in special and political training, in the name of the Central Committee of the Communist Party of Cuba, in the name of the commander-in-chief, and in my own name, and I urge you to work with ever greater enthusiasm and sense of responsibility.

[Signature illegible]

Raul Castro Ruz, FAR Minister, Army General

5058

CSO: 3010/551

EASTERN ARMY UJC POLITICAL CHIEF INTERVIEWED

Havana VERDE OLIVO in Spanish 29 Oct 81 pp 56-57

[Interview with 1st Lt Ramon Cruz Mastrapa by Pablo Noa: "Moving Securely Toward the Fourth Congress"]

[Text] Young communists throughout the land are getting ready to hold their Fourth Congress this coming April. Many activities are being carried out for the purpose of guaranteeing the success of this event. The militants are accomplishing important tasks in the military units as well as in the factories and schools. Knowing the enthusiasm which this event has aroused in the units of the Eastern Army, we interviewed 1st Lt Ramon Cruz Mastrapa, chief, UJC [Union of Young Communists] subsection, Political Section, of that command. He gave us a detailed briefing on the work being done.

[Question] What can you tell us about the beginning and progress of the assembly process?

[Answer] Right now, the organizations and militants are seriously working to accomplish the first phase of this process in the best possible fashion; it involves the activity review assemblies. When the congress was first announced, we began to draft our timetable and we have done systematic work to attain our planned targets.

In the beginning, the political units, the organizations, and the militants participated in a period of preparation during which they studied the methodology governing the process; they also analyzed prior experiences. Classroom sessions, seminars, and tests were given to make sure that everybody had properly assimilated the subject matter under discussion.

So far, this process is coming along smoothly. We have not had any major difficulties although we did have some minor shortcomings, fundamentally of an organizational nature, which were immediately corrected. But, I repeat, this has not in any way affected our effort to keep up with our timetable.

The leader of the young communists in the Eastern Army informed us that, so far, we have visited more than 98 percent of the assemblies in the base committees. During the remaining days of October, we are planning to complete this phase of the

process, including the meetings of the UJC committees. Their organization as well as the content of the remarks and the review of activities by the militant membership are outstanding aspects of these meetings. Internal life has taken up most of the hours devoted to the debate and this is also true of the increase in and support for the combat training and readiness tasks as well as ideological work. In each case, we determined the shortcomings, their causes and those responsible, and we adopted measures to solve these problems, always approaching the situation from the viewpoint of the UJC, without replacing the tasks that must be handled by the command itself.

In reviewing the progress made, we can say basically that the main aspect was the correct preparation of central reports. In drafting those central reports, the various secretariats concentrated heavily on the speech by Commander-in-Chief Fidel Castro to the Seventh Plenum of the UJC National Committee.

As a result of the in-depth and concrete analysis of the organization's problems during the activity year, the assemblies adopted common pledges, dealing with the need for stressing the exemplary nature of the militants, stepping up educational work, unanimous backup support for the pledges of the Second Party Congress, as well as the statements made by the First Secretary of the PCC Central Committee, Comrade Fidel Castro, during the opening of the 68th Interparliamentary Conference.

[Question] First Lieutenant Mastrapa, we have just had an opportunity to visit some army units. There we observed the propaganda effort and we also attended various meetings. What is your opinion of the work being done during this process and for the purpose of hailing the Fourth Congress?

[Answer] Generally speaking, the work done during the assembly process is positive. Our militants have mobilized the rest of the personnel, getting them involved in a practical manner through tasks connected with lectures and meetings.

Each base organization has drawn up its own activity plan, specifically showing what it proposes to achieve. For instance, we have been promoting the initiative of mounting, in a visible place easily reached within the units, a kind of huge wall chart showing a historical summary of the organization, the tasks accomplished, the collective and individual achievements, and the participation of the militants and young people in internationalist missions.

In those places we also state the objectives drafted by the fightingman for the information package which the delegation of the Eastern Army will bring to the congress. These places are called "20th Anniversary of the UJC"; in that way we hail that event, the Fourth Congress and the 25th anniversary of the Granma landing and FAR day.

Among the various activities carried out we have the sports festival of the army, the creation of the gardens of the Fourth Congress, the march from Mangos de Baragua to the reviewing stand of the central ceremony in honor of the anniversary of 26 July, in Las Tunas.

Two races were also held with an identical patriotic-military content; one was from Santiago de Cuba to Loma del Gato, in honor of Gen Jose Maceo, and the other one was from the Moncada Barracks to Granjita Siboney.

This effort was accompanied by a broad cleanup and beautification campaign in the units, as well as numerous propaganda and agitation assignments. For this purpose we used the base radio facilities, the political information summaries, special briefings by leaders, and the updating of wall charts.

In the context of all of these activities, the young members of the Eastern Army are working hard to attain the collective incentive targets under the title of "20th Anniversary of the UJC." Winning this pennant is an important point in hailing the Fourth Congress and the 20th anniversary of the youth organization.

[Question] What has been the effect of the assembly process on life in the units and on combat and political training?

[Answer] The main objectives of the process, among other things, include the overall review of the status of work being done in the UJC in support of the accomplishment of the basic tasks and primary missions of each man. It also gives us a better idea of the lessons learned and it enables us to stress the vanguard role played by the militants.

We start with the idea that the tasks included in the pledges of the organizations with a view to the Fourth Congress essentially summarize the basic problems of the units; the central idea is to improve living conditions and to enhance the level of combat readiness and training.

In this connection I must single out some examples:

The young people have participated outstandingly in the construction of the major and minor material study base.

Tests are being given in the various specialties, along with other initiatives intended to reduce the time norms.

In one of our units, specifically, the comrades restored an auto race and test track and an AA artillery firing range.

We have been informed of similar activities in warehouses and in premises intended to improve the living conditions of the troops, such as dormitories, dining rooms, recreation areas, libraries, as well as clubs for sergeants and enlisted men.

The activity of the young communists in the Eastern Army is really intensive and fruitful.

This is the right moment for stepping up our efforts in every respect. We must provide effective support for the primary tasks and missions assigned to the units. I think that this will be the right kind of homage to the hundreds of martyrs who cannot be with us for the 20th anniversary of the UJC because they gave their valuable lives in the place assigned to them by their duty.

## NEW BULGARIAN PLANTING SYSTEM DESCRIBED

Havana JUVENTUD TECNICA in Spanish Sep 81 pp 12-19

[Article by Angel Fernandez Chao]

[Text] The 19 April Enterprise for Varied Crops is located on the outskirts of Havana, one and a half km out on the road that leads to Quivican.

The Bulgarian system of planting on raised beds, a uniform and mechanized technique, is being applied on the grounds of the enterprise. New varieties of crops, machine harvesting and mechanized irrigation, in connection with which machines have been used that have required prior preparation of the soil — cleared of obstacles, etc. — which, moreover, have led to the physical transformation of the grounds, are being introduced. All these factors have determined productivity and yields.

At the present time root and garden vegetables — basically the latter — familiar ones and others little known in this country, among which is broccoli, rich in vegetable protein, are being grown.

Then there are others like chicory, artichokes, dill, peas, coriander leaf (Chinese parsley, cilantro), red cabbage, cauliflower, celery, spinach, parsley, asparagus, hybrid cabbage varieties, romaine, green onion, chive, leek, mustard, kohlrabi....

On a tour of some of the grounds, we ran into Agustin Hernandez, chief technician in charge of garden vegetables, who said:

"Last year we selectively bred from among the best garden vegetables of the season and succeeded in growing a more productive variety of saltwort than the Chinese or Spanish ones, one characterized by its whiter, fiberless stalk and its high yields.

"The same thing happened with the Snowball T-3 variety of cauliflower, which is of very good quality, produces its own shade, has a large head and yields approximately five times more quintals than any other variety. Furthermore, it adjusts well to early and later planting conditions than the usual varieties.

"There were two varieties of beets: the Red Cross and the Detroit Dark Rex, which are a deeper red in color and do not have concentric rings.



"These were some of the best results obtained with the crops involved, including also the F-1 Brucks Imperial asparagus, Wong-10 hybrid cabbage, White Majestic onion with its shorter growing season, better development and high-density growth, the very productive and extremely hot Red Hot Chile pepper, which can be toxic, very rugged and adapted to our growing conditions, and the Great Lake lettuce, a variety that is resistant to erguinia, a disease that typically attacks it.

"In 1979 52 new species or varieties were introduced, in 1980 64 and this year there will be 92. This gives you an idea of the gradual step-up in our search for new garden vegetables, among other reasons, to replace those that do not offer desirable features.

"At present we are making an effort to achieve better results and higher yields by introducing new varieties."

#### Mechanization

To facilitate harvesting they rely on an additional piece of equipment called a promoter which is drawn by a Yumz tractor and turns the soil to bring the yuccas to the surface. Once its colters are adjusted, it can also be used to "air" onions, beets, carrots and other vegetables. It saves time and manpower.

There are other important machines like the KPN 4.8 which performs three functions: plowing, fertilizing and cultivating, and in addition serves to prepare the soil for the planting of garden vegetables. It covers an average 0.4 or 0.5 caballerias [1 caballeria = 33.2 acres] a day, depending on the crop involved.

The triple raised-bed rototiller, which breaks up the soil with its colters, gets rid of clumps and shapes the bed with its ailettes.

The precision seeder, which by means of a previously perforated belt provides the exact distance between seeds, the desired number of seeds and the constant depth required by the crop, gets rid of small obstacles and makes it possible to plant from 1 to 16 rows on one raised bed. In addition, it covers and loosens the soil and can plant all vegetables on level terrain and raised beds.

With the aid of an instrument board mounted on the tractor that pulls it, the operator can follow the operation of the machine.

#### Mechanized Irrigation

For mechanized irrigation Soviet-made machines like the DDA-100-MA are used, on which, in accordance with existing needs, adjustments have been made in the water-supply mechanism (jets) in which the three-pin system has been adapted to conform by means of a cone placed from end to end to obtain better irrigation of crops, since water losses are avoided through the merging action of the cone.

Also, to obtain maximal efficiency with this machine, several improvements have been made on a grass burner used to clean the springs that supply it with water.

The Volchanka is also a piece of irrigation equipment, run by a small engine, that is built in sections with a span of 18 meters between its wheels, a clearance of one and a half meters and sprinklers that deliver 8 gallons a second and are connected to the 8-inch main line through a hydrant and drive pump.

Through its gradual advance, the mechanized irrigation system is transforming conventional, obsolete methods of irrigation.

#### Mechanized Harvesting

At the present time beans are being harvested with equipment that can handle 1.2 hectares a day. It harvests two rows that are from 0.57 to 0.6 meters apart. It drops the harvested material into a hopper with a capacity of about 30 quintals which are then dropped onto transporters. To achieve this, simultaneously ripening varieties like the Harvester, Valia, etc. are required.

They will soon have a Hungarian-made, front-harvesting FZB that harvests beans on a bed 1.6 meters high and consisting of from three to four rows at a rate of 2 hectares per working day.

Another farm product that is being machine harvested is cabbage. Two machines, each capable of harvesting over 2,400 quintals in 8 hours, are in operation with varying between-row widths (70 cm, 90 cm or 1.6-meter double row).

They are drawn by a 1.2-ton tractor, harvest one row with each sweep, free the plant of unusable roots and leaves and drops the harvested material onto transporters. They are used with simultaneously ripening varieties of cabbage like the Hercules I-R Cross.

General mechanization of harvesting is one of the 19 April Enterprise's objectives and different machines are on the way in order to achieve it.

The potato harvest has also been mechanized and there are potato pullers that operate by means of chains, mats and conveyors. They are drawn by tractors and, through a system of universal joints, they pull up the potatoes which, before they end up in the hopper, are sorted by hand and rid of clumps of dirt and brush.

The hoppers are taken to a processing center where the sorting and cleaning operation is repeated and from there the potatoes move on mats to the bagging section, resulting in a daily yield of from 1,000 to 1,500 sacks.

#### Start and Development

At one point in our tour, we talked with Agustin Montes de Oca, director of the 19 April Enterprise for Varied Crops, who said to us:

"At the enterprise — which was founded 12 years ago — after the introduction of the Bulgarian system of planting on raised beds and once the relevant tests were completed, we had to work collectively to adapt the additions that were to be used with the new technique and which required tractors for applying it that have a power rating we did not at that time have.

"Through the joint effort of our technicians, the other workers and of the non-sugar-cane farm enterprise of Batabano and others from Havana, suitable solutions to this problem were found and the results have served as an incentive for everyone, which proves that technique generates technique and mechanization generates mechanization."

We were standing in front of the experimental area where the behavior of the crops was being tested and were looking on as white onions were being planted in three double rows, very close to one another, and Montes de Oca answered our question;

"The experiment with this type of onion we are witnessing here permits us to evaluate results reflected in the density of the plant population (22 million). The planting of this type allows for 50 plants per linear meter, which increases the harvest and the yield in a given area. These onions used to be planted in rows, separated from one another in the furrow by about 230 mm.

"We are currently also experimenting with the planting of a variety of tomato on 1.6-meter raised beds, each containing a double row with one plant every 9 or 12 cm, by means of which we will observe those results that make it differ from conventional planting.

"The application of specific herbicides for each crop was introduced this year and we are having success in finding the right ones for a large number of garden vegetable varieties.

"We are also working on new formulas for applying fertilizers in accordance with cartograms that have been made, a system for rapid soil preparation of from 5 to 25 days, whereas from 45 to 90 were required before."

#### On the Special Lot

The special lot is an area in which different garden vegetable varieties are experimentally grown. Sara Portales Acuna is the young technician in the vegetable production department who is responsible for checking on and recording the entire production process and keeping a record of the crops from preparation of the soil, irrigation and fumigation to harvesting.

Sara said: "During my studies as a technician I learned everything there was to know about conventional crops. Here, with the introduction of new varieties and their characteristics, I have run into different kinds of behavior and yields that have provided me with very useful knowledge and very positive experiences, which I then pass on to my comrades."

#### Bulgarian Support and Advice

Montes de Oca intervened, saying: "Our technicians receive advice and support from their Bulgarian counterparts, who are constantly interested in the progress and development of our effort.

"We have always had their valuable cooperation and frequently exchanges of on-the-job experience, which are numerous and positive. The trio formed by the Maritza

in Plovdiv, the Liliانا Dimitrova Horticultural Research Center in Guira de Melena and the 19 April Enterprise is producing very fruitful results.

"We also have joint agreements with agricultural research centers (like La Renee) dedicated to soil research. They are already conducting tests in our areas instead of doing so in remote locations as before, which means better utilization of resources and a better exchange of experiences."

#### Labor Force

The enterprise's basic labor force consists of students and mobilized workers who effectively and decisively support the technicians, equipment operators and other workers who are dedicated to their specific jobs, which has resulted in better utilization of equipment, the acquisition of complete mastery of their respective specialized fields and a magnificent accumulation of experiences, although this does not mean that they are in any way dissociated from the rest of the enterprise's activity in the different phases of production.

#### Prospects

An idea of what has happened to yields can be gained from 1975, for example, when the Economic Technical Plan showed an actual production figure of 288,770 quintals of root and garden vegetables. In 1980 actual production came to 568,982 and it is expected to amount to 700,000 quintals in 1981.

During the first third of 1980 407,400 quintals of root and garden vegetables were produced and during the same period this year over 503,000 were produced, reflecting an increase of 95,600 quintals.

The collective anticipates a production figure of 1 million quintals by 1985, according to what the director of the enterprise said.

The 19 April Enterprise was the winner in the 1980 intercenter competition. In addition, it holds the pennant for the best enterprise in terms of research, nationwide.

There is no doubt that the prizes in recognition of the self-denial, responsibility and serious attitude with which they carry out their assigned tasks and through which they do honor to their name: 19 April, will increase in number.

11,466  
CSO: 3010/463

## STATE FINANCE COMMITTEE TESTS NEW RECEIPTS PROCEDURE

Havana GRANMA in Spanish 24 Nov 81 p 3

[Article by Jose M. Norniella]

[Text] A new procedure for collections through time payments, payment per object or payment upon completion of work will begin experimentally in five construction enterprises as of 1982, it was reported to the State Finance Committee (CEF).

This procedure will also modify the manner in which direct investor payments are made for those who are currently involved in economic investments.

It was reported to the CEF that the new procedure means that the National Bank of Cuba will grant loans to those five enterprises, which are directly under the Construction Ministry, in order to cover the financial requirements for production in progress, and for the certifications of work progress filed during and beyond the termination period of the projects in question, as stipulated in the economic contracts signed at the appropriate time.

As for direct investors, it was reported that the Budget Financing accounts for the investments will continue to be affected, in accordance with the work progress certifications that the construction enterprise sends in monthly. Additionally, investors must retain the affected funds in a bank account specifically opened for such financial transactions.

It was learned that the CEF has created the accounts and subaccounts required for accounting operations, for both construction firms and investors. The procedure was explained for correctly recording credits and debits in these accounts.

Finally, it was revealed that the CEF presented the variations in the reports of the National Accounting System for the purpose of including the newly created accounts.

8926

CSO: 3010/529



## 'PIONEROS' WEEKLY NEEDS IDEOLOGICAL MILITANTS

Havana GRANMA in Spanish 24 Nov 81 p 3

[Article by Diana Sosa]

[Text] The meritorious work carried out by the collective of the weekly PIONERO in the education and ideological training of our children and youths was highlighted during the main ceremony celebrating the 20th anniversary of that publication, which was held at Ciudad de los Pioneros "Jose Marti" in Tarara.

Luis Orlando Dominguez, first secretary of the Union of Young Communists (UJC), chaired the event. Diplomas of recognition for 20, 15 and 10 years of service were awarded to several workers. In addition, Ricardo Garcia, who edited the weekly for more than a decade, and Luis Lorenzo Sosa, who has been working at the publication since its founding, were both awarded the Distinction of the 20th Anniversary of the Jose Marti Pioneers Organization.

Pedro Gonzalez, editor of the paper, presented the history of PIONERO's work. He also stated that in every worker on the paper there will always be a soldier for ideological combat or armed combat.

At the conclusion, Manuel Estevez, president of the Jose Marti Pioneers Organization, outlined the high points of the publication's history since it was founded on 25 November 1961.

On behalf of the millions of pioneers who have grown, are growing and will grow in the warmth of our Revolution, he extended hearty congratulations to all the workers of the weekly.

Workers from the publications ZUNZUN and EL GUIA, and representatives of the Union of Cuban Journalists (UPEC), encouraged the collective of the official organ of the Jose Marti Pioneers Organization. At the end of the political event, the pioneers presented a beautiful artistic performance. An exhibit at the Tarara Cultural Center on well-known figures in the weekly's comic strips was also inaugurated.

Present were Ernesto Vera, secretary general of UPEC; Lazara Rodriguez Aleman, chief of the written press section of the Central Committee's Revolutionary Orientation Department; and other guests.

8926

CSO: 3010/529

## NATIONAL BANKING MONETARY CIRCULATION PLAN DESCRIBED

Havana GRANMA in Spanish 17 Nov 81 p 2

[Article by Jose M. Norniella]

[Text] The Cash Reserve Plan is not only an important function of the Bank in its role as controller of the country's monetary circulation. In every enterprise and budgeted unit the Cash Reserve Plan is the expression of the respective technical-economic plans concerning all those operations which involve cash going in and out of the Bank's vaults.

Obviously, the Cash Reserve Plan is intimately linked to the National Economy Plan, which makes for an indispensable link between the Bank's monetary transactions and credit financing. This tie is possible because both banking functions are interrelated in the processes of planning, execution and control, given that their immediate antecedent is the Technical-Economic Plan of each enterprise and budgeted unit.

In the case of enterprises that produce for consumption, whether directly or indirectly, anything that affects their technical-economic plan also influences not only the execution of the Cash Reserve Plan but also the amount of credit granted them for normal operations and the recovery of that credit. This situation is reflected, as is to be expected, in the Bank's Credit Plan.

The Cash Reserve Plan Commissions on the different territorial levels, and the support the People's Government gives the Bank in its planning and control functions in connection with this plan, are undoubtedly important factors that contribute to the search for reserves that will maximize the Bank's cash receipts as well as the application of controls to minimize cash withdrawals.

An example of the good work being done in this area is the Cash Reserve Plan Commission of the municipality of Nuevitas, Camaguey.

This year the withdrawal indicator of the Cash Reserve Plan was strongly influenced by the General Wage Reform. It is well known that wages are the most significant portion of the withdrawal indicators of the Cash Reserve Plan. Wages account for about 75 percent of the cash that circulates in the money supply. During the first half of 1981 wages increased by 11 percent in this northern Camagueyan municipality.

Despite these heavy outlays, the Municipal Cash Reserve Plan Commission worked with all the enterprises to ensure that cash deposits increased a total of 6 percent over the previous year.

In 1976 this municipality was a net producer of cash; that is, the Bank recorded more cash outflows than receipts for the different economic entities of this area. However, between 1977 and 1980 it was a net receiver; that is, just the opposite: the Bank took in more money from circulation than left its coffers.

During the entire 5-year period, cash receipts grew by 24 percent under the Cash Reserve Plan, while outlays were held to a 5 percent growth.

To achieve this favorable balance in the municipality's money supply, hard work was required. Fairs were a major factor, and the people's savings also contributed a lot.

This year, for example, savings accounts increased a total of 15 percent over the plan for the 6-month period, and 27 percent over the previous year.

But all is not roses. During the first half of this year there were serious problems with industrial supplies, an area of production that fell well below planned levels.

This situation took its toll on the Cash Reserve Plan, because retailers did not meet their technical-economic plans for lack of the planned supplies. On 30 June 1981 it was revealed that the plan for deliveries from wholesalers to retailers in this municipality was only 86 percent fulfilled.

Of course, commercial enterprises did not just sit on their hands; they went to their stored inventories, much of which had little circulation. Noble products (those which are easily sold) ran out, and it was necessary to resort to inventories and to sales management so that the cash-flow indicators would not be influenced any more.

Even though the wholesalers' delivery plan was not fulfilled, the Cash Reserve Plan recorded receipts of 101 percent coming from sales of merchandise to the public. In general, the receipts indicators of the plan were all slightly over 100 percent.

This shows that the Cash Reserve Plan Commission in Nuevitas is doing a good job and is not resting on its laurels, especially this year when a number of factors have caused cash withdrawals from the Bank's vaults to exceed cash receipts.

8926

CSO: 3010/529

## CENTRAL BANK PRESIDENT CALLS DEVELOPMENT PROGRAM INADEQUATE

Guayaquil EL UNIVERSO in Spanish 28 Nov 81 p 11

[Text] Quito--Economist Abelardo Pachano, the new president of the Central Bank, said that the situation the country is experiencing is caused by the inadequate development program which has been followed.

In reviewing the economic problems of the country, Pachano stressed the need to revise and change the program which has been applied starting in the 70's. Though it did allow growth in previous years, it is not now applicable. He said that it is necessary to seek a program that will allow a certain equilibrium among the various sectors of the Ecuadorean economy.

He said that in spite of this, our economic situation is not disastrous. He explained, however, that in contrast to previous years, Ecuador is now much more vulnerable to what takes place on the international markets. The solution to our problems cannot be sought solely inside our own economy but we must also look at the foreign aspect. He emphasized that when there is an international monetary disturbance which affects the country's financial transactions, it is necessary to seek measures to reduce the negative effects of that disturbance.

## Problems Will Be Overcome

In outlining the policies the Central Bank will follow, Pachano said it "will try, by all legal and proper means, to help solve the problems confronting our economy--which are causing concern--but which will be overcome since there is unexploited wealth in the country and, what is essential, we have the necessary human resources to overcome them."

He said that he will try to adhere strictly to the Monetary Regulation Law in fulfilling the obligations and responsibilities of the Bank, in permanent coordination with the various institutions and organizations which are involved in economic activity.

Referring to the recent decrease in the international monetary reserve, the bank president said that it is at a level that cannot be considered critical for the economy of the country. He also alluded to the drop in Ecuadorean exports, pointing out that it is due to the drop in prices of certain products on the international market rather than to a decrease in the volume of sales, which is what has happened with petroleum.

## Laws Will Be Reformed

In conclusion he indicated that the four committees which are drafting the reforms of the financial laws now in effect in the country will pursue their task expeditiously so as to be able to present the fruit of their labors of the president of the republic.

9204

CSO: 3010/493



## LABOR MINISTRY EMPLOYMENT PROGRAM ANNOUNCED

Quito EL COMERCIO in Spanish 27 Nov 81 p A 1

[Text] The government will begin implementing the National Employment Program under the direction and guidance of the president of the republic. It was designed to fight unemployment and decrease the high percentage of underemployment of tens of thousands of Ecuadoreans.

The executive agency for the program will be the Ministry of Labor through the Employment Department, which has completed an exhaustive study of the problem and has proposed actions to achieve this purpose.

This is the first plan to be put into operation in this country to implement a realistic policy in this field, and it will concern itself with training, among other important subjects.

Luis Bilbao, director of that department, announced that the program will begin with the formation of an interministerial committee which will examine what lines of action are most conducive, for example, to the stimulation of private investment for the creation of sources of employment. This committee will also take steps to assure that the government will create sources of employment. A central committee with representatives of the president, of CONADE [National Development Council] and of the Employment Department will put the program into final form while the final decision will be made by the executive council of employment consisting of the governmental ministers.

According to the National Development Plan the economically active population of the country is 2.64 million people. Approximately 50 percent of them, that is, 1.3 million, are underemployed, and somewhat more than 5 percent are Ecuadoreans with no gainful employment.

Although it is true that this underemployment is countrywide, it is highest in agriculture where the population has an income below the minimum living wage which is the reason for the exodus to the cities.

The program has especially focused on this situation and one of its actions will be the establishment of factory shops where peasants can be trained so as to enable them to work as artisans without, of course, neglecting their work on the

land. What is involved is making use of the natural ability of many peasants in this new production field which will make it possible for them to improve their family income.

It has also been discovered that a number of workers engage in a type of work which is not in line with their training. This too is a typical example of underemployment which this program will attempt to correct.

There are no statistics in this country on unemployment and underemployment, but OIT [International Labor Organization] statistics indicate that 50 percent of the active population in Ecuador has an income under the minimum living wage.

The director of the Employment Department said that in the General Development Plan it has been estimated that in 5 years the underemployment of 490,000 persons can be overcome but during the last 2 years underemployment has worsened as a result of the prevailing unfavorable economic situation.

Underemployment not only adversely affects the standard of living of those who are involved but also threatens the country's financial position since with low levels of income these citizens do not pay taxes and therefore do not contribute to the treasury.

To be successful the program requires the cooperation of the private sector and of the organized people's groups, and the Ministry of Labor feels sure that because of the importance of the project there will be immediate acceptance by both sectors since a joint effort between them and the government is required.

9204

CSO: 3010/493

## INCREASE IN SMUGGLING COUNTERED BY CUSTOMS POLICE

Quito EL COMERCIO in Spanish 29 Nov 81 p 8 B

[Text] The Customs Police, in cooperation with the National Armed Forces, have in the last few days captured large amounts of illicit merchandise whose introduction into the country was being attempted from all directions. In the following paragraphs we give details on the seizures effected by members of the Customs Military Police during the course of an operation at the national level.

Smuggling has increased recently, and an incredible variety and quantity of merchandise is illegally entering the country. The following articles were seized in the port of Manta:

Because they did not present the necessary legal documents to the customs authorities the following were seized from "Mejia and Mejia Importers and Investors": 100 chronometers, 50 Crown brand electric fans, 50 12-inch Sony color television sets, 100 15-inch Gold Star color television sets, 150 Brother brand portable typewriters, 4 Emerson air conditioners, 50 Sony Betamax model SL 5400, 6 Siltal refrigerators, 46 Gold Star black and white television sets, 20 Sony portable radios, 1 set of Akai modular sound equipment, 4 boxes of canned goods containing 12 units each, 1 case of fine perfumes of assorted brands, 5 fine rugs and 3 cases of whiskey.

In Guayaquil

In joint operations involving Army personnel and Customs Military Police the following articles were seized at the Simon Bolivar airport: 544 small calculators, 284 Sanyo watches, 6 bottles of fine perfumes, 8 ball-point pens with watch, 12 fine 2-piece ball-point sets cu/u, 2 fine table clocks, 53 top quality shirts, 6 pairs of metal cutting shears, 11 Comcrox ball-point pens, 73 women's dresses, 6 pairs of blue jeans, 12 women's fine suits, 2 large wall clocks, 1 Chevrolet 1977 aluminized coffee color pick-up truck, 1 1981 lead color and black Bronco Ford pick-up truck with a large amount of contraband merchandise: blouses, skirts, binoculars, stockings, shorts, shirts, soaps, shampoos, girl's and women's dresses, bras, guayaberas [a type of formal men's shirt] and so forth.

F1 Oro

Military detachments of Huaquillas and Ponce Enriquez: ladies', mens' and boys' blouses, shirts, undershirts, needle cases, slippers, Nestle chocolate, face soap, Croyon shoes, stockings of various qualities and a large number of tooth brushes.

In Loja:

A Toyota Land Cruiser Jeep motor No ZF240152, License plate No Z-00420, 11 men's coats, 16 women's dresses, 17 women's fine blouses, 24 American "Fashion" skirts, 8 jackets nad 2 manikins. All of these articles along with the respective Arrest Report and an inventory will be sent to the custom authorities of each provincial district for legal action.

9204

CSO: 3010/493

## BRIEFS

INCREASE IN MARINE EXPORTS--According to an economic analysis of the Pacific Bank the exportation of marine products has become an important component of Ecuadorean foreign trade. The analysis points out that the activity continues to develop in a promising manner, especially as a result of the big jump in shrimp production which has become a really large-scale cultivation and exploitation operation using a high level of technology. The exploitation of other forms of aquatic life is being successfully developed, both by small operators and on an industrial scale. The Pacific Bank stresses the importance that the export of fishing products has acquired as a component of Ecuadorean foreign exchange. Up to 15 September 1981, licenses for export, on FOB terms, of fish products in the natural state as well as processed marine products amounted to \$126.3 million, which is 7.8 percent of the total value of all exports, occupying the third place among the export categories, after petroleum and bananas. The report points out that fish products in the natural state exported up to 15 September 1981 were worth \$57.6 million which is an increase of about 31 percent over the amount recorded for the same period in 1980. The report concluded by stating that the value of exports of processed marine products was \$68.7 million which represents an increase of 13 percent over the amount exported up to 15 September 1980. [Text] [Quito EL COMERCIO in Spanish 29 Nov 81 p A 8] 9204

CSO: 3010/493



## CCE'S PRESIDENT BUSTAMANTE SPEAKS ON ELECTIONS

San Salvador EL MUNDO in Spanish 25 Nov 81 p 2

[Text] To wait for normalcy to return to the country in order to hold elections would mean postponing them indefinitely," said the president of the Central Electoral Council, Jorge Bustamante.

That official stated that the Council is not in a position to conduct voting in the consultates abroad, as proposed by the Salvadoran Popular Party (PPS).

With regard to waiting for normalcy to return to the country, he maintained that this would retard the establishment of democracy and thus mean a return to the conditions that are impeding normalcy.

He reaffirmed that the ideal thing would be for the election campaign to proceed in an atmosphere of peace and tranquility, but such is not the case, and therefore these elections would have a special significance.

Bustamante said further that the election campaign would be the people's reply to a situation of violence that is encouraged and stimulated from abroad and by internal groups and power blocs that seek to prevent the consolidation of a democratic system in El Salvador.

In regard to the position taken by the National Revolutionary Movement (MNR), he said that this attitude is not new, since they had adopted it at the time of the formation of the Revolutionary Democratic Front (FDR).

However, the president of the Council pointed out that according to the latest MNR announcement published in the newspapers, its position does not completely close the door since it admits the possibility of elections if the armed forces approve.

In closing, he referred to the PPS petition, stating that the Council is not prepared for the kind of voting that would mean placing ballot boxes abroad. At any event, he said, the consulates cannot be used to set up ballot boxes since they are designed to conduct business activities. He did not eliminate use of the embassies, but he pointed out that even in such cases only those located in countries where the right of extraterritoriality exists could be considered.

9015

CSO: 3010/484

## RIVERA DAMAS; 'COUNTRY HAS BECOME VIOLENT SOCIETY'

San Salvador EL MUNDO in Spanish 23 Nov 81 p 2

[Text] Never has the extermination of human beings been an alternative to life, Archbishop Arturo Rivera y Damas said yesterday at a Sunday Mass, while denouncing and condemning all kinds of violence.

The prelate maintained that El Salvador has become a violent society, where the deterioration of morality increases each day, and this now not only affects those who plan and promote such violence but those who are not participants in this situation.

"I love my people just as they are," said Archbishop Rivera Damas, and he added further that he has tried to denounce the worst deeds that have occurred here and to console the families, whether they be members of the army, businessmen victims of kidnappings, those confined to the jails, missing persons, those found murdered and mutilated along the highways, or on the other hand the women, children, and elderly who are suffering under the bombardment in the rural areas.

He emphasized that there is no reason that would validate the arguments that "we are at war or that this is the price that the people have to pay."

He asked that people struggle to avoid this situation of violence in El Salvador and repeated that dialogue should not be feared since "it is better to convince than merely to conquer."

Regarding the statements made by the guerrilla deserter, Mauricio Guardado Rivas, in which he implicated some church organizations as leftist collaborators, he said such accusations were false.

He also defended Caritas, which together with Doctors Without Frontiers of France, had been accused by the armed forces of collaborating with the armed groups operating in the northern part of the country.

Archbishop Rivera Damas gave assurances that Caritas had not been able to reach the war zones. He added that he had requested permission from the army high command more than once but without receiving a reply.

He said that this situation was painful because hunger, lack of clothing, and disease were needs that had to be taken care of without discrimination.

He announced that he would celebrate Mass in the cathedral on 2 December at 12:45 to mark the beginning of Advent, that is, the beginning of the liturgical year and that it would also be in remembrance of the four U.S. religious who were murdered last year, as well as Salvadoran priests.

9015

CSO: 3010/484

## DECREASE IN COTTON CULTIVATION CAUSES UNEMPLOYMENT

San Salvador EL MUNDO in Spanish 25 Nov 81 p 30

[Interview with Ernesto Muyshondt Parker, noted industrialist: "Ninety-eight Thousand Will be Unemployed Because of the Reduction in Cotton Cultivation"]

[Text] A serious situation for the country's economy and for rural workers is developing as a result of the alarming reduction in areas devoted to the growing of cotton, Ernesto Muyshondt Parker reported while stating that 98,000 persons will be out of work, including field hands, skilled workers and employees of related industries, beginning this year.

The noted industrialist said that of the predicted total number of workers that will be unemployed, 11,640 are skilled workers of the cotton plantations and industrial plants, such as tractor drivers, foremen, managers, warehousemen, truck drivers, industrial mechanics, and farmers, etc.

Mr Muyshondt Parker explained that the figure of 98,000 unemployed he mentioned did not include those connected with the textile, concentrate, insecticide, and transportation industries, nor export offices, employees and workers of maritime and air transport firms, etc. who would also be put out of work if the raw material, cotton, is not produced.

As a result of this problem, Mushondt Parker said, 243 million colones will be kept out of circulation in this country, money that is needed for production and normal productivity in other nationwide industries, and he predicted that the deficit in foreign exchange, now over \$58 million, would increase because of the reduction in the area devoted to the growing of cotton.

At the same time he said that the problem of edible oil and its derivatives would become more acute in this country because of the shortage in the production of containers for these articles, which could reach 2,778,000 bottles. Because of the scarcity of concentrates and other derivative products of cottonseed, he said, there will also be a shortage of food products of animal origin, such as beef, pork, milk, and eggs.

Mr Muyshondt Parker explained that 4,630,200 bottles of oil were being produced, but in 1979 cotton production dropped because the 1978-1979 harvest only included a total area of 150,329 acres (manzanas), and even then it was not considered

bad. In the 1979-1980 farm year the cultivated area fell to 129,610 acres, and in the 1980-1981 year it was 69,863 acres. It is estimated, he added, that next year's figure will be well below 60,000 acres. He said that 150,000 acres sown in cotton require 158,000 farm workers, and that cotton cultivation requires a total of 405 million colones each season when the cultivated area is not reduced.

9015

CSO: 3010/484



## ACES EXPOSES COFFEE INDUSTRY'S SERIOUS PROBLEMS

## Producers Disclose Situation

San Salvador LA PRENSA GRAFICA 19 Nov 81 pp 3, 26

[Text] The coffee growers are not obtaining profits and INCAFE [National Coffee Institute] has not published the sale prices abroad in its balance sheets, as the law orders, the El Salvador Coffee Growers Association said yesterday.

Referring to statements made by Dr Jose Antonio Morales Ehrlich, member of the government revolutionary junta, on the national radio and television channel, the association rejected these statements by the chief executive, calling them "untrue and biased".

The coffee growers association also points out that it has been stressing that the coffee problems be resolved in an ordered, responsible and appropriate way for the existing realities, with the aim that the chief product on which the national economy depends be maintained with a high rate of national production and that a stable market also be achieved with incentives for the growers association.

The coffee growers association explains that, contrary to what Dr Morales Ehrlich has stated regarding blight, instead of decreasing or stagnating it has spread in greater proportions throughout El Salvador, making coffee growers' economic situation much more difficult. Furthermore, in the profits that they obtain in relation to the prices announced by INCAFE the \$12 for each gold quintal discounted is not taken into account, which represents expenses for freight, insurance, weight losses, commissions and other costs, and which, the growers maintain, gives a distorted picture of the problem that the growers' association has been expressing to the authorities for a long time.

Proof of this, says the coffee growers' association, is the publication on 21 October of this year in which it is judged that prices should be regulated in accordance with the published table. The association also states that it is appropriate to emphasize that the price the grower receives does not even suffice to cover his costs, which is a reason for constant concern. The published table says:

Amount FOB price per quintal of 46 kgs.	Liabilities		Revenue 14%	Grower Price	
	Duty	Tax			
\$120*	\$29.250	\$20	\$ 9.905	\$60.845	C152.1125
\$125	\$30.750	\$20	\$10.395	\$63.855	C159.6375
\$130	\$32.250	\$20	\$10.885	\$66.865	C167.1625
\$135	\$33.750	\$20	\$11.375	\$69.875	C174.6875
\$140*	\$35.250	\$20	\$12.285	\$72.465	C181.1625

\*Lowest and highest limit of the price border imposed by International Coffee Organization (OIC).

The coffee growers' association emphasizes that on repeated occasions they have discussed this problem in meetings with government officials, especially with regard to costs and never did the growers object to the figure that on an (average) national level has been made official. Starting from that base, the growers point out, is how they have tried to create awareness to achieve common goals that the government has never wanted to understand because of the political repercussions present at the time and also because of the lack of information and sincerity that is ruining national coffee growing.

Finally, says the coffee growers' association, proof of the distorted official picture is that "once INCAFE had paid 98 percent of the growers, it is now raising prices thus causing the same vices that have always existed and that encourage permanent speculation".

#### National Coffee Institute - Coffee Prices

##### International (Per 46 kgs.)

##### Contract "C"

	Closing on 18 Nov 81	Differential Closing on 17 Nov 81	Indicative Prices Ex Dock New York 17 Nov 81
December 81	\$147.15	Plus 1.43	Colombian \$157.50
March 82	\$142.90	Plus 0.98	Other Soft \$145.67
May 82	\$136.98	Plus 1.28	Brazilian \$----
July 82	\$134.20	Plus 1.14	Robust \$108.25
September 82	\$132.50	Plus 1.30	Average \$ Others
December 82	\$129.95	Plus 0.45	Soft and \$ Robust

Note: The international prices that are published daily correspond to contract C per gold quintal placed in certified warehouses in New York, which include expenses of about US\$ 12.00 for freight and insurance, loss of weight, reweighing and sampling, certification, commission and other expenses which have to be deducted to establish the equivalent price FOB Salvadoran port.

### Local

The Institute informs all growers and grower-beneficiaries of El Salvador that it is buying coffee in accordance with the conditions specified below and at the following prices:

1980/1981 Harvest		
	For 500 pounds of Fresh Uva Coffee	For 120 pounds of Pergamino Coffee
	Placed in Profits or Receivings	Placed in Profits
Standard Central	C 169.00	C 210.00
High Central	C 172.00	C 212.00
High East Central	C 175.00	C 214.00

1.--INCAFE, in accordance with the provisions of the Governors' Assembly, reports that it agreed to reopen the purchases of the 1980/1981 harvest.

2.--The domestic purchase price will be decided taking as a base the average measured price of sales abroad (13 October 81 - 6 November 81 - measured price \$135.00 FOB 46 kgs.)

3.--Purchases will be adapted in accordance with the sales that are made abroad.

#### Conditions:

a) Form of payment: 15 working days for growers greater than 250 gold quintals and 8 working days for the coffee growers whose production is less than 250 gold quintals.

b) To buy dry coffee bean husks of 1980/1981 ripe harvest up to the price of 169.00 colons for 200 pounds and fresh green coffee up to 164.00 colons, subject to yield. Form of payment: 15 working days.

c) To buy coffee bean husks of 1980/1981 green and pepena harvest up to 164.00 colons for 200 pounds. Form of payment: 15 working days.

d) To buy at central office and agencies of the institute for the growers who made their deliveries to INCAFE.

e) To buy at central office through the private beneficiaries from the coffee growers who made their deliveries in receivings or profits from receivings.

#### AP Demands Ehrlich Resignation

San Salvador EL MUNDO in Spanish 24 Nov 81 p 3

[Text] The Productive Alliance demands that Dr. Jose Antonio Morales Ehrlich, member of the government junta, leave his post as president of ISTA [Salvadoran

Institute of Agrarian Transformation]. The AP maintains that Ehrlich's resignation would give a chance to the agricultural businessmen to have an objective dialogue with the government "removed from the emotional statements and irresponsible assertions that characterize the present president of this important institution".

The AP's demand is included in a communique in which it makes harsh criticisms of Ehrlich for his recent statements on television. "Attitudes such as those of Dr Morales Ehrlich," says the AP, "reveal the absolute irresponsibility of those who, in the name of social justice, are manipulating figures and facts according to their whim to paint a totally unreal view of national agricultural economic development".

The AP also says, "When the farmers of the so-called unreformed sector, despite so many problems, threats, dangers and difficulties--impelled by the creative spark of the Salvadoran businessman--had embarked on projects on their coffee, cotton, grain, cattle or sugar plantations, in order to increase the yield of the harvests and thus assist our country in obtaining more currency and food for the Salvadoran people, there arises the person and voice of Dr Morales Ehrlich to spread fear and discouragement among these courageous businessmen, who against wind and tide are daily fighting to prevent the country's economic collapse from growing."

"ISTA president Morales Ehrlich," adds AP, "threatened all the agricultural businessmen with installing the second stage of the agrarian reform when he said that 'soon there will not be in this country a Salvadoran who has more than 100 hectares.'" The AP adds that, "some Salvadorans believed or hoped that at this stage good sense would start to prevail in government policy commands and that the overall national interest would prevail above all minority and partisan interests; but with the statements of Dr Morales Ehrlich they have seen clearly that the political faction in the government, with its arrogant language and its clear intention to keep the productive sector in anxiety, is persisting in its inflexible attitude and does not recognize the effort of those who are devoted to making greater sacrifices for the benefit of thousands of families who live directly and indirectly from the product of agricultural labors."

The AP emphasizes that "the statements of Dr Morales Ehrlich are an unmistakable proof that the policy sector of the government is causing a dangerous destabilization in the national economy and creating a depressing psychological climate among the Salvadoran businessmen".

Finally the AP "on expressing their serious concern for that type of public statement," demands that the government declare itself publicly and clarify before the citizenry "if it intends to carry out in the short or medium term the second stage of the agrarian reform".

#### Producers Accuse Government

San Salvador EL MUNDO in Spanish 25 Nov 81 p 3

[Text] The Coffee Growers Association of El Salvador asserts that with the statements made by Dr Jose Antonio Morales Ehrlich on answering their summons, "the treatment that the Salvadoran coffee grower is receiving under the present government has been revealed which unpardonably is leading the country toward the most terrifying disaster".



The coffee growers point out in a communique that they sent to EL MUNDO that "the growers' association will not be the least bit guilty, since it has already protested to the ultimate degree, and even Dr Morales Ehrlich's own statements indicate this, that the growers have been enduring up to now substantial losses that are driving them to desperation". The coffee growers' association adds that "now it will no longer be said, as was said a short time ago, that the coffee growers' association had gotten used to lamenting, since the figures speak for themselves and indicate a reality. It is a great pity," they add, "that Dr Morales Ehrlich did not say how much the coffee growers were earning, or why INCAFE did not want to publish the balance sheets".

In the communique the coffee growers emphasize that "Dr Morales Ehrlich has confirmed what the coffee growers' association has been insisting on for a long time: that the cost of production for each quintal of coffee in the reformed sector is about 150 colons and the price that INCAFE has been paying to the growers is less than this amount, for which reason the losses must be considered disastrous".

The coffee growers also point out that until a short time ago INCAFE announced the purchase prices at the rate of 154 colons, but that 98 percent of the growers sold at the average measured price of 141 colons, that is, that accepting the amount mentioned by Dr Morales Ehrlich through INCAFE is about 150 colons, a deficit remains of 9 colons that have to be paid. Interest of 22 percent to INCAFE for the credits that the growers obtain from them; a percentage to battle blight, the figure is not known as yet; interest on refinancing credit, which is a result of the losses of previous years; living expenses for each grower and his family, etc., the result of which, says the communique, is that coffee growing is not profitable and therefore there are two alternatives: "To abandon coffee growing or that the government through INCAFE or ISTA buy the coffee farms from the growers so that the latter stop interrupting the process of agrarian reform and engage in other activities".

The Coffee Growers Association repeats that the comparison with Guatemala of the taxation aspect referred to by Dr Morales Ehrlich through INCAFE, "it cannot be clearer and conclusive, since what he means to say is that in Guatemala there is a double tax: an advalorem tax and one on the coffee grower's income, in this way, according to Dr Morales Ehrlich's argument, leaving the Salvadoran coffee grower in a worse situation from any point of view, given the prevailing conditions".

9545

CSO: 3010/483



## VICE MINISTER MACIAS DISCUSSES NATIONAL UNITY

Managua LA PRENSA in Spanish 29 Nov 81 pp 1, 6

[Interview with Edgard Macias, vice minister of labor, with Julio Armas; date and place not given]

[Text] Shortly after giving an afternoon speech before EVEMENIC [Association of Executives of Sales and Techno-Marketing] on the subject of "National Unity," Edgard Macias was interviewed by newsman Julio Armas. Because that interview is considered of great interest, it is published below.

Question: In the first place, we would like to ask you what was the vital element of national unit in the overthrow of the dictatorship?

Answer: Well, I proposed that we try an experiment; and we used all the experiences and all forms of struggle to achieve that national unity. In this regard, we would say that it was the capacity for accumulation and combination of various methods which the people were able to contribute to the overthrow of Somoism and also the pragmatism with which these elements were coordinated that finally put an end to the Somoza dictatorship. Therefore, in summary, we might say that pragmatism, a capacity for uniting a series of efforts from different national international, civilian and military sectors of a popular character and other efforts which made the results of 19 July possible.

Question: Would you comment on the trade union fight between the Sandinist Workers Federation [CST] and the Federation of Nicaraguan Workers [CTN], which obviously has become a major battle to obtain dominant positions within the organized sectors of workers.

Answer: Well, in Nicaragua since the beginning of the revolution what has been called a reconciliation of the trade union forces of Nicaragua has been taking place; and the Sandinist Federation, which had not existed, was established. This federation has grown considerably, with the support of or under the aegis of the Sandinist Front which was an inducement, at least in the first phase of the revolution; and, therefore, many workers have moved from one federation to the other. Clearly this process was affected by the specific problems of the different enterprises. What is important is that in this fight between the federations--the Workers Federation and the Sandinist Federation--it should be realized that there is a need to use methods and procedures which do not violate and endanger the status of the workers. On the contrary they should demonstrate with their production

which federation is more effective and responds better to the concerns of the workers and is more efficient as regards trade union organization. They should do this instead of at times using methods which I have said are wrong, such as some kinds of violence--by trade unions or members of a trade union--or hampering the operation of an enterprise which is in the hands of a trade union, with members moving from one enterprise to another. All those methods are not convincing; and the trade union fight should not only be between the CST and CTN but between all the trade union federations, on the basis of the effectiveness with which they can solve the problems of the workers of a specific enterprise.

Question: And what is your best advice as a politician for the attainment of national unity and better defense of the revolution?

Answer: For me, the best measure, let us say, is a real and broad opening up on the part of sectors which up to now have said they are in disagreement with the handling of the revolution. However, much more important is an opening up on the part of our comrades of the FSLN [Sandinist National Liberation Front]. By doing this they can recover the level of pragmatism they had at the beginning of the revolution which, for various reasons, they have been losing, taking us into a condition of polarization that we did not have previously.

Question: Edgard Macias, I want to ask you a question that will be rather difficult to answer because there is still no explanation on the part of the Sandinist National Liberation Front, which will clarify the matter. It is understood that the Sandinist National Liberation Front has sent delegates to all the Communist congresses held in the Soviet Union and other countries in the socialist orbit. There are also clear statements by some of the commanders to the effect that the predominant doctrine of our revolution is Marxist-Leninist. What does this mean, Edgard Macias: that the Sandinist Front or our government is heading directly toward a communist government like that of Cuba or that this attitude is contrary to the position of the human forces of this country who wish to engage in the thought processes required for us to head in the direction of a truly Nicaraguan revolution?

Answer: Well, the Sandinist Front has relations with the Socialist International, that is up to now, they have been in contact with various kinds of organizations with different political orientations. For me, it is important to state what is possible in Nicaragua and the kind of revolution we can manage to bring about. Therefore, from this standpoint I feel that Nicaragua is not moving toward a revolution of the Marxist-Leninist mold because that is not possible in Nicaragua. In our present circumstances, to struggle for a revolution in a clearly Marxist-Leninist mold would be a mistake and not in line with the reality of Nicaragua, Latin America and America and would be supportive of a plan that cannot possibly fit into the context of the situation in which we find ourselves.

8143

CSO: 3010/499

## SOCIAL CHRISTIAN PARTY HOLDS NINTH CONGRESS

Managua LA PRENSA in Spanish 30 Nov 81 p 13

[Text] With an enthusiastic and massive shout of "We are all the solution" and in the presence of over 1,000 activists, the ninth Congress of the Nicaraguan Social Christian Party ended at noon Sunday.

With party headquarters adorned with dozens of blue flags carrying the fish symbol and one entire hall bedecked with small, paper party flags, there was not enough room for all the delegations present.

Many delegates were content to remain outside and listen to the proceedings of the congress over loudspeakers beamed at the street.

In addition to the Social Christian activist sector, also present were delegations from the CTN [Federation of Nicaraguan Workers], MDN [Nicaraguan Democratic Movement], PCD [Democratic Conservative Party], PSD [Social Democratic Party], CUS [Labor Unity Federation], CPDH [Permanent Commission for Human Rights] and other organizations.

A large delegation of foreign visitors was also present, the most noteworthy of whom were Dr Eduardo Fernandez, secretary general of COPEI [Social Christian Party] of Venezuela; Ambassador Guillermo Yepes Boscan; Dr Ricardo Arias Calderon, from Panama; David Trejos, secretary of Foreign Relations of the PSC [Social Christian Party] of El Salvador; and several COPEI deputies, the most notable of which was Dr Eudoro Gonzalez, president of the COPEI national executive committee.

The diplomatic corps was represented by the ambassador from Venezuela, Dr Rafael Zapata Luigi; and the charge d'affaires from the German Federal Republic, Dr Kniess.

Invocation by Mondragon

Monsignor Oswaldo Mondragon, who also attended the PSC congress, delivered the invocation and called upon the Lord to ensure the success of the congress and the activities of the Social Christian Party.

He addressed his remarks in particular to the party's youthful delegates and recalled the days when he was an activist youth.

He expressed his satisfaction with having been a member of the PSC, as this party has up to this day maintained the struggle against every exploitation, and against every abuse.

#### Appeal to Youth

"My greatest satisfaction," Mondragon said, "is now seeing a fine young population, an organized population, a thinking and free population which is supporting this party that is based on Social Christianity and which is doctrinaire for you young people, who are the masters of Nicaragua."

After being interrupted by great applause, he continued: "I want to tell you not to be contaminated either by sterile atheism or by paralyzing totalitarianism and not to allow yourselves to be poisoned by violence which engenders violence. Raise the blue flag of the Social Christian Party and in that flag read the ideal of freedom for all." (Great applause)

"Let us be free like the quetzal in a sky with the widest horizons. We want to fly without limitations. That is the young Nicaraguan, a man born to freedom; and if we are to lose that freedom, there is only one option: death." (Great applause)

#### Eduardo Fernandez Speaks

Next, Dr Eduardo Fernandez addressed the congress. In an extraordinary speech, he harshly played all dictatorships and stressed the struggle being engaged in by the Christian Democrats for systems of real freedom and democracy.

Against a background of thunderous applause, Eduardo Fernandez challenged the dictators, Pinochet of Chile, Duvalier of Haiti and Fidel of Cuba, to permit free elections in their countries so that the people can freely choose their rulers.

He came out against war and violence and in favor of peace. He sharply censured the extremes in El Salvador "which do not want the Salvadoran people to vote and choose the road to freedom and democracy."

He expressed real anti-imperialism when he took a position against the pretensions of the hegemonic powers to a division of the world in accordance with their expansionist interests.

"Violent people," he said, "have been trying for 50 or 60 years to accomplish what they call popular revolution; however, Christianity has been working for 2,000 years to elevate the doctrine of love, for only with love can one reach man."

"The dictatorships are all alike. And so are the dictators, whether they be named Brezhnev, Mao or Fidel."

#### Arias Calderon Speaks

The next speaker was Dr Ricardo Arias Calderon, president of the PDC of Panama, who began his speech with comments which caused a great stir: "I, too, have Nicaraguan blood in my veins, as my grandfather and mother were from Nicaragua; and in my home, we have always breathed the air of Nicaragua."



He described the Social Christian struggle for real freedom and the integral peace of man. He vehemently expressed his admiration for the Nicaraguans and the PSC, who won liberation by means of one of the bravest, most original and most authentic popular wars...

"This nation deserves to be free," he said.

"We are solidary with Nicaragua, with its revolution, with its aspirations; but we are not in agreement that it has freed itself from one dictatorship to fall into another." (Great applause)

In another part of his profound and doctrinaire speech he mentioned the political and visionary figure of Ruben and the majestic descriptions in each of his poems, an authentic link with the moment of definition being experienced by Nicaragua.

He stressed the political thought of the Mexican poet, Octavio Paz, and urged a struggle against the omnipotent states which are stifling the freedoms of man and his desires for self fulfillment.

#### Yepes Boscan Follows

Amidst a storm of applause, a loyal friend of Nicaragua, Guillermo Yepes Boscan, approached the speaker's rostrum. He said that he had come to the congress to bear witness here once again to his solidarity with the people of Nicaragua and their struggle for freedom.

"We are comrades for justice and for real democracy. The messary in this regard continues and is present. We are struggling, just as you are doing, because this country, in Ruben's words, was made for glory and freedom."

#### Campaign Denounced

"I want to tell you that there is a discrediting campaign at the international level, a campaign against the real participative revolution of Nicaragua. However, that campaign is also being conducted internally against those who are defending the real Nicaraguan revolution."

He said: "I have received provocations and threats because of my solidarity with the people of Nicaragua. This, instead of driving me away has brought me even closer, because no one can keep me from being solidary with this great people and from joining you here.

"Let us reassert our condemnation of any intervention of invasion against this people and once again express our solidarity with this people in their desire for democracy and freedom."

#### David Trejos Speaks

The PDC delegate from El Salvador, David Trejos, was the next speaker. He said that the struggle being engaged in by his free party in El Salvador has been discredited abroad; however, the truth is that the people were defeating terrorism of the left and right.



He said that great efforts are now being made to prevent bloodshed and to allow the people to decide their own future.

He condemned the destruction of bridges, sabotage and other terrorist actions which are being used to frighten the people.

He reported that 20 PDC mayors had been assassinated by one or the other of the extremes but that they were moving forward to secure an authentic democracy.

David Trejos, who had been president of the solidarity-with-Nicaragua committee during the war, reported to the amazement of the audience that the current president of the FMLN-FDR [Farabundo Marti National Liberation-Revolutionary Democratic Front], Guillermo Manuel Ungo, had personally refused his offer to become a member of that solidarity committee.

"Now the Salvadoran extremists are the great friends of Nicaragua; however, when times were difficult, they did not want to be solidary with you," he said to an audience which applauded loudly.

#### Adan Fletes Speaks Last

After installation of the new national officers of the PSC, Adan Fletes addressed the congress as the last speaker.

He gave an account of the party's work during the last few years and emphasized national unity and the PSC's efforts to achieve it.

Among other things, he announced that the PSC would participate in a discussion-meeting sponsored by the PPSC [Popular Social Christian Party] and that they would rejoin the Council of State, despite the fact that the political situation is not exactly the best.

He requested the release of COSEP [Higher Council of Private Enterprise], CAUS [Center for Labor Unity and Action] and Communist Party prisoners and spoke out on behalf of a Christmas without anti-Somoza political prisoners.

He emphasized the release of Julio Rosales, who was sentenced to 3 years in prison. Rosales is a PSC activist from Leon.

Finally, he stressed the political desire of the Social Christian Party to continue seeking dialogue to find a solution to the tremendous crisis being experienced by Nicaragua because of deviations from the original revolutionary program.

The ninth congress concluded with the fervent singing of the Nicaraguan national anthem by the audience.

8143

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## OPPOSITION PARTIES PRESENT OWN DRAFT BILLS

## PPSC Draft Bill

Managua LA PRENSA in Spanish 27 Nov 81 pp 1, 14

[Text] As we announced yesterday, we are presenting in this edition the first draft of the Political Parties Law [LPP] as proposed by the Popular Social Christian Party (PPSCO).

With this draft bill, the PPSC has taken a positive step toward the promulgation of the LPP, since it not only limited itself to criticizing the draft bill of the FSLN [Sandinist National Liberation Front], clearly pointing out its deficiencies, but is now proposing a new draft bill which is to serve as a basis for a better LPP.

It is well known that the draft bill does not have the signature of Dr Cesar Delgadillo who is the PPSC's secretary general and, as such, should have been responsible for signing such an important document.

The draft bill reads as follows:

Article 1. Political parties may be established and operate freely and without restrictions provided they are established on the basis of democratic and pluralistic principles which pursue national unity, the well-being, development and overall liberation of the Nicaraguan people and the reaffirmation of Nicaragua as an independent and sovereign nation. Political parties will be legally included on the list of parties when they fulfill the provisions of this law which is in the category of public rights laws.

Article 2. Political organizations are considered political parties when they have the following objectives:

1. Seek the common good of the Nicaraguan people through peaceful means.
2. Obtain political and administrative power to direct the country's destiny.
3. Take part in the direction of public affairs through their representatives.
4. Participate in elections presenting their own candidates, thus being able to be elected in general conditions of equality.

5. Submit constructive reports and criticisms with the aim of contributing to the improvement of public administration and the formation of laws beneficial to the country.

Article 3. The organization responsible for seeing that the LPP is implemented will be the National Political and Electoral Council [CONAPE] which will be made up in the following manner:

- a. Three persons appointed by the National Government Junta [JNC], one as chairman, the other two as members.
- b. One representative from each of the political parties which are represented in the State Council.
- c. One representative from each political party which is obtaining juridical status.

Article 4. CONAPE will function according to an internal regulation approved by the organizations which initially compose it; this may be revamped by a two-thirds majority of the member organizations.

Article 5. The promoters or leaders of a political party are to provide CONAPE with the following:

- a. Name, emblem and flag adopted by the party.
- b. Name of the members of its national directorate.
- c. Name of the members of its departmental directors, at least in nine departments.
- d. Statutes of the party, containing:
  1. Name, emblem and flag it adopts, with the understanding that it is forbidden to use patriotic symbols or symbols of foreign countries and international organizations.
  2. The political program.
  3. Its central headquarters.

Article 6. Any changes or reforms made in the documents referred to in the preceding article must be presented to CONAPE within 30 days from the time they are approved by the appropriate party organization, according to the party's statutes.

Article 7. Any group of citizens may promote the formation of a political party; but until its juridical status is granted, it will use the name "movement."

Article 8. The following rights are granted to political parties:

- a. To engage in propaganda relating to the party's principles and programs, in compliance with the country's laws.
- b. The use of television on an equal basis for all parties concerned.

- c. To proselytize and arrange mobilizations, meetings and public demonstrations in accordance with the country's laws.
- d. To have representatives in CONAPE and other multiparty organizations on an equal basis for all parties.
- e. To present its own slate of candidates at elections when held.

Article 9. The following are duties of political parties:

- a. Strive for the successful implementation and permanence of the fundamental rights of man, in labor, housing, education, health, dignified lifestyle and social progress. Support the free transmission and dissemination of thought, freedom of worship, freedom of mobilization, political association and proselytism.
- b. Promote the development of democracy in Nicaragua for the benefit of the vast majority.
- c. Promote and support national unity by carrying out the tasks of national reconstruction.
- d. Defend the revolution, preventing attempts by internal and external counter-revolutionary forces to restore a system of exploitation and help preserve the country's freedom and independence.
- e. Promote a positive pluralism, keeping in mind the freedom parties and social organizations have in organizing, and take steps to achieve any structural changes necessary to construct a system of true social justice in Nicaragua.
- f. Abide by the country's laws.

Article 10. CONAPE will have the power to suspend and nullify the juridical status of a political party when that party violates the country's laws and/or performs obviously subversive acts against the public order.

Using legal procedures to assure the defense of the party involved, two-thirds of the members of the council are required to vote for the nullification of a party's juridical status. The party will have the right to appeal that judgment to the Supreme Court of Justice.

Article 11. Nullification dissolves the party, and its operation is suspended until the time specified by the judgment has passed.

Article 12. When a political party is dissolved, its property will be taken over by the Ministry of Social Welfare, and it will not be able to reorganize with the same name or emblem.

Article 13. When general legislative and municipal elections are held, the state should help finance the campaign of political parties in accordance with a specific regulation and the country's economic conditions.

Article 14. This decree will become effective from the time of its publication in LA PRENSA, the official daily.

Submitted in the meeting hall of the State Council in November 1981.

PPSC National Executive Center

Edgard Macias Gomez  
Chairman

Guillermo Mejia Silva  
Vice Chairman

Francisco Jimenez Mantilla  
National Treasurer

Mauricio Diaz Davila  
National Comptroller

PSD Draft Bill

Managua LA PRENSA in Spanish 29 Nov 81 p 6

[Text] The Social Democratic Party (PSD) has sent its own considerations and draft bill to the State Advisory Committee with regard to the regulation of the country's political parties.

The main points of the exposition and law presented by deputies Wilfredo Montalvan and Dr Benigno Rayo are summarized as follows:

Article 1. Free and unrestricted right is given to parties or political groups to organize and operate, provided their formation is inspired by democratic and pluralist principles which strive for national unity, the well-being and development of the Nicaraguan people and their overall liberation, and a reaffirmation of Nicaragua as a free, sovereign and independent nation.

Article 2. Political parties will be given legal status when they fulfill the provisions of this law which is of a public nature.

Article 3. Organizations which pursue the following objectives are considered political parties:

1. Participate in elections presenting their own candidates.
2. Obtain the state's political and administrative power to direct the country's destiny.
3. Participate in the direction of public administration through the party's representatives.
4. Seek peace, justice and social progress for the people through civil means.
5. Participate in the promulgation of laws of benefit to the country.



6. Contribute to the improvement and perfection of public administration.
7. Promote the development of democracy and political pluralism.

Article 4. Any group of Nicaraguan citizens which fully enjoys its political rights may promote the formation of a political party or organize without discriminations of any kind within rights already established, provided such formation is in conformance with this law.

Article 5. Political parties have the following rights:

1. Propagandize their declaration of principles, programs and government platform, making those principles compatible with the maintenance of public order.
2. Without restrictions, carry on political proselytizing, concentrations, public demonstrations and the maintenance of public order, all executed in conformance with the country's legal procedures.
3. Make use of television, periodicals, radio and any other collective means of communication in equal proportion to all other political parties in the country without exception.
4. Have representatives in the National Electoral Council (CNE), which is the council which will regulate the country's political activity.
5. Travel without restrictions throughout the national territory and abroad with the aim of divulging, promoting and developing the political organization.

Article 6. The following are the duties of political parties:

1. Promote and foster the development of democracy and political pluralism in Nicaragua.
2. Strengthen national unity around the common welfare of the people, peace and national harmony.
3. Strive for the effectiveness and respect of human rights and the fulfillment of international conventions on that subject, of which Nicaragua is a signatory.
4. Strive for the correct administration of justice in the country and watch over the development of social progress favoring the less privileged classes in the areas of labor, education, nutrition, health and housing.
5. Respect and defend unlimited freedom of press, freedom of worship and freedom of union activity, association and mobilization.
6. Defend the principles of the revolution on behalf of the legitimate interests of the Nicaraguan people.
7. See to it that there is a system of freedoms which will lead to real structural changes and the construction of a society of equality with genuine social justice.

8. Collaborate with the maintenance of public order, peace and the country's political, economic and social stability.

9. Strive for our people's self-determination, avoiding any identification with foreign powers which will weaken the principles of our nationality.

10. See to it that our country remains in the movement of nonaligned countries as long as it conforms to the above-stated principles.

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CS0: 3010/500

## THREE DIMENSIONS OF PLURALISM IN COUNTRY ANALYZED

Managua EL NUEVO DIARIO in Spanish 28, 29 Nov 81

[Serialized article by Reinaldo Antonio Tefel: "The Three Dimensions of Pluralism in the New Nicaragua"]

[28 Nov 81 p 2]

[Text] The enemies of the new Nicaragua and its revolution continue to wage a campaign to distort our reality, and one of their principal attacks consists in negating the pluralistic character of our popular Sandinist revolution. In this respect there is an overlap of reactionaries and imperialists and the extreme Left as well as the dogmatic and mechanistic "revolutionaries." The reactionaries emphatically deny the possibility of pluralism in a true revolution such as ours and look for "totalitarian" signs with a magnifying glass. Furthermore, the extreme Left, the dogmatists, and the mechanists, in their desire to extrapolate realities of other revolutions, persist in denying the viability and revolutionary "orthodoxy" of pluralism. They forget that our revolution was out of pattern, rooted in our history and with a large dose of originality and creativity without detaching itself on that account from international solidarity or depreciating in any manner the wealth of experience of other revolutions.

If we make a critical and objective analysis of our revolutionary process we find three dimensions of pluralism in the new Nicaragua:

1. The pluralism of motivations in the Sandinist movement;
2. The pluralism of political parties within the popular Sandinist revolution; and
3. The pluralism of dissident parties of revolutionary leadership in the revolutionary government.

1. Pluralism of Motivations in the Sandinist Movement

In an earlier article I quoted a handwritten letter from Eden Pastora to "Ruben" in which he mentioned his intuition concerning the pluralism that motivated Nicaraguans to struggle in the Sandinist movement and under the people's vanguard, the FSLN [Sandinist National Liberation Front], for national liberation. Eden Pastora said: "Why are we fighting? We are fighting so that the people may live well either because Christ said so or because Karl Marx said so or because we wish it to be so." This means that the purpose of the popular Sandinist revolution is

deeply humanistic, social, and democratic. That "the people should live well" is not only a quantitative concept but especially a qualitative one, namely, to achieve a better life for the people, not only that they should have more basic material resources but also and especially that they "be more," that the common man, exploited and oppressed so far, should count in the major decisions of the new society that we are building and should be a protagonist of history.

Besides this revolutionary purpose, Eden conjectured about the three major currents that feed, motivate, and inspire our revolutionary process. We were and are involved in the Sandinist movement, some of us inspired by Christianity, others by Marxism, and still others by a democratic and nationalist resolve. And many, perhaps most of us, are inspired by two or three of these motivations.

The Christian people [should do so] as an organized and activist Christian people, and not merely as nominal Christians and by chance but rather intentionally, with full awareness of their revolutionary role in the liberating struggle for the first time in the history of revolutions in the popular Sandinist revolution. That is how the FSLN referred to it in its official communique of 7 October 1980 on religion, a document which additionally expresses and symbolizes one of the major original features of our revolution. Our national executive stated:

"The patriots and Christian revolutionaries are an integral part of the popular Sandinist revolution, not as of now but of many years' standing. The share which Christians, both lay and religious, have in the FSLN and the GRN [Government of National Reconstruction] is a logical consequence of their outstanding role at the side of the people throughout the struggle against the dictatorship.

"A large number of activists and fighters of the FSLN found in the interpretation of their faith the motivations to become involved in the revolutionary struggle and consequently in the FSLN. Many of them not only made their extremely valuable contribution to our cause but also became important examples to the point of spilling their blood to cause the liberation seed to germinate."

Before the initiation of the reactionary conspiracy of artificial confrontation between Christianity and the Sandinist movement, the Episcopal Conference issued a pastoral letter regarding the role of Christians in the revolution (17 November 1979) which would be appropriate to reproduce and constantly expound. In it the Church recognizes and asserts the "Christian agreement for a new Nicaragua" and the "evangelical motivation" to participate in the revolutionary process which coincides with the "preferential option for the poor," proclaimed in Puebla and assumed by the Nicaraguan church.

"Or Because We Seek It Ourselves"

Our history has constantly been one of an unyielding popular democratic and nationalist resolve in a permanent struggle against internal and foreign oppression. Rafaela Herrera, Jose Dolores Estrada, Andres Castro, Benjamin Zeledon, Augusto Cesar Sandino, Rigoberto Lopez Perez, Carlos Fonseca, Pedro Joaquin Chamorro, and German Pomares are heroes and martyrs of our history who struggled against domestic tyranny and against the imperialist invader intent on achieving, as Sandino used to say, "actual democracy with social progress."

For that reason the Nicaraguan people became united and struggled "en masse" against the Somoze dictatorship under the FSLN's leadership in order to bring about a substantial democratic change and conquer the "sunlight of freedom."

As we have said on earlier occasions, what was involved was not a superficial change with a "democratic" front but rather a profound change, an authentic democratic transformation that would topple the old political, economic, and social structures.

The epitome of our history of struggles, of popular aspirations, and of the pluralism of motivations and inspirations of Nicaraguans in their long battle for national liberation, for democracy, for freedom, and for social justice is our topmost national leader and father of the anti-imperialist revolution, the General of Free Men, Augusto Cesar Sandino, and, as his historic heir, the FSLN, which retrieved his banner and planted it in the mountains, towns, and cities in order to liberate our national blue and white flag which had been vilified by Somoza's followers as Daniel Ortega Saavedra [head of government] has just stated.

[29 Nov 81 p 2]

"Or Because Marx Said So"

Many youths found their motivation in the study of Marxism and the socialist revolutions of the 20th century and in the scientific interpretation of our history and our political, economic, social, and cultural reality. Carlos Fonseca also had the genius--in addition to his tough and indomitable resolve to struggle culminating with the sacrifice of his life and making the day of 19 July 1979 part of our history--to inject into the heart of our national history, into the historical legacy of Sandino, the advances of the social sciences. He was not an abstract social scientist removed from the practice of his art nor was he a dogmatic mechanist who would take the Marxist-Leninist manuals as infallible receipes, without a dialectic or critical spirit. Rather, Fonseca strengthened Sandino's patriotic and revolutionary thinking with the contributions of the modern sciences, initiating the formulation of a synthesis, of a "national revolutionary ideology" as he used to say. This is Sandinism as a moral and patriotic attitude, as liberation strategy, as politics, as democratic, popular, humanistic, nationalist, and anti-imperialist ideology.

We have seen how three humanistic motivations are blended in the foundry of Sandinism and create in Nicaraguan political life and in practical form a new "national revolutionary ideology."

By a fortunate coincidence these three motivations are found in the three political parties which make up, together with the FSLN, the Patriotic Front of the Revolution: In the Popular Social Christian Party the inspiration of Christianity predominates; in the Nicaraguan Socialist Party, Marxism does; and in the Independent Liberal Party, democracy and nationalism hold sway. Of course, this dominance does not exclude in any of the parties of the revolution the influence of other motivations.

The existence of these parties within the revolution and the Government of National Reconstruction confirms another dimension of the pluralism of our revolutionary process.



Parallel to the parties of the Patriotic Front of the Revolution, two other parties are in a quite distinct position. These are the [Nicaraguan] Communist Party and the Movement of Popular Action. Even though they are not included either in the Patriotic Front of the Revolution or in the organs of the revolutionary government, in the recently held national forum they made common cause with the revolution while taking more radical attitudes precluding them from responsibilities in the delicate and difficult tasks of government and leadership of the revolutionary process in a situation so grave and risky as that in which we live, besieged by internal and foreign enemies. The communist party's consistent position has led to extremist attitudes violating the Law of Economic and Social Emergency.

Nevertheless, its trade union branch continues to be represented in the Council of State.

### 3. Pluralism of Dissident Parties Involved in the Revolutionary Government

Despite the fact that the two initial dimensions of our pluralism are clearly documented, there may be individuals with formal legal training--characteristic of the capitalistic democracies--who may not be persuaded of the authenticity and depth of pluralism in the revolution. (Alexander Solzhenitsyn, an exiled Russian writer and thus not at all "suspect" as a "communist," in a speech published in formally LA PRENSA no less, harshly condemned the superficiality and mediocrity of that merely--legal attitude of "The West.") Nevertheless, they cannot question, much less deny--if there is any sincerity in them--the third dimension of our pluralism, that of the dissident parties of revolutionary involvement.

On creating the Council of State, the revolutionary government has established without doubt the plurality of parties and trade union federations with parliamentary representation even including those which object to revolutionary direction. Furthermore, it is sufficient to read the newspapers and listen to broadcasts for the most superficial observer to realize that in Nicaragua the pluralism of parties and ideology exists with great vitality.

Besides the fact that the Fundamental Law and the Statute on the Rights and Guaranties of Nicaraguans "should consecrate the rights of citizens to organize political parties and groupings," the representation of the FSLN in the Council of State presented for the latter's consideration and that of the people a "Bill of Political Parties" which in its initial provision established that "it is a principle of the Junta of the Government of National Reconstruction to promote political pluralism in order to strengthen the popular Sandinist revolution." This means that the FSLN and the revolutionary government consider pluralism as essential to the revolution since they see in its promotion the strengthening of the latter.

The personalities of the national executive of the Junta of the GRN and the Council of State have declared that the bill is not considered "complete" and that the latter is open to discussion and the input of all political parties. A more pluralistic attitude on the part of revolutionary involvement has not been seen in the history of revolutions. For that reason ours is the most pluralistic of all in addition to being the most generous, the most humanistic, and the most Latin American. (It would seem that the enemies of the revolution have never read history and judge us from a narrow, formalistic, and prejudiced viewpoint, ignoring the greatness and depth of our revolution and the extensive human and social cost of other revolutions.)

When the Sandinist leaders declare that our pluralism must occur within the revolution and not against it, today's Pharisees rend their clothing in the name of "democracy." They forget or do not wish to know ("there is none more deaf than he who does not wish to hear and there is none more blind than he who does not wish to see") that the two major democratic revolutions, the American and the French, established pluralism within their republican-democratic revolution where the monarchists, no matter how disguised they were, had no say. Counterrevolution, no matter how "civic-minded" it seemed, was vigorously repulsed. Even in the United States elections were postponed for 20 years while in Nicaragua they were only put off by 5 years.

That pluralistic characteristic within the revolution of the two democratic revolutions cannot make us forget that some time after the French revolution, because of anarchy, there came a form of very distinct "monarchy" during the time of Napoleon while the American revolution, through an internal dynamic of economic liberalism, fell into the mold of another type of "monarchy" with the economic empires that arose in its midst and which today have become transformed into "transnational" ones. But initially they were pluralistic within their revolution and today they are pluralistic within capitalism.

Returning to our own situation there is not the slightest doubt that the popular Sandinist revolution is pluralistic and that the FSLN and the revolutionary government seriously strive to strengthen our pluralism within the revolutionary process and not against. This attitude reaches the point of recognizing the right to dissidence as regards the leadership of the government and of the revolution. What is difficult and tricky is drawing a clear line of demarcation between simple dissidence with the leadership and counterrevolutionary dissidence, that is, against the essence of the revolution itself and its achievements. This difficulty and at times ill-will prompt some individuals to transgress the dividing line and to move in effect to counterrevolutionary positions. That danger can also occur in the revolutionary field in judging some attitudes or opinions as counterrevolutionary when these fall perhaps within the scope of revolution and a critical attitude toward the leadership.

Patriotism, the genuine revolutionary conscience, the imperious necessity of national unity in the face of the threats of military invasion and the grave situation of economic and social emergency that we are witnessing should lead us to dialogue so that we may find on a brotherly basis the revolutionary foundations of national coexistence in economic reactivation, in national reconstruction, in revolutionary institutionalization, in forging the new society and the new Nicaraguan personality, and especially at this juncture in the defense of the homeland and the revolution.

The open, frank, and sincere discussion of the "Law of Political Parties" within the Council of State is a magnificent opportunity to initiate a national dialogue within one of the representative organs of the revolutionary government--the Council of State. The return of the dissident parties to that coordinate legislative organ would be evidence of good will and patriotism in this hour when our sovereignty is constantly threatened.

There is still time for all of us to build the future of the New Nicaragua.

## COPEI FOREIGN RELATIONS SECRETARY ON SELF-DETERMINATION

Caracas EL NACIONAL in Spanish 24 Nov 81 p D-8

[Article by Imperio Rodriguez]

[Text] Juan Jose Monsant, who until a month ago was minister counselor to the Venezuelan diplomatic mission in Colombia and for a week now has been secretary of international relations of the COPEI Social Christian Party, reflects in his opinions and in the simplicity of their expression the disarming subtlety with which he constructs his arguments.

First he accepts, then he reflects, and finally he attacks with his own ideas, which are clearly his, in spite of being full of an ideology which cannot be shared, but which he tempers with diplomatic language, presenting the dogmatic phrase as convincing.

For him, Venezuela's interests are above all ideologies, and he pictures Venezuelan foreign policy as "a ferocious struggle to prevent extracontinental interests from dividing up the hemisphere into colonies which are economically or ideologically dependent on the superpowers."

During the long interview broken by interruptions and by the many subjects discussed, JJM emphasized the achievements of Venezuelan foreign policy under the administration of President Rafael Caldera, "when Venezuela definitely began to have its own voice in the international community and established strategic rapprochements with the Southern Cone, it was sought to vitalize the concepts of integration, relations were established with China and the first steps toward rapprochement with the Caribbean, including Cuba, were taken, and it also looked to Europe. That was when petroleum became one more factor in the dialogue with the industrialized countries, and these countries suddenly became aware of the existence of the Third World.

"Actually, President Herrera has to act under circumstances in which Venezuela must necessarily be an actor and occupy a protagonist's role, basically in the Latin American scene, but also in other geographic areas outside the continent, such as the Middle East and Asia, to make our presence known to these countries on a global scale."

The diplomat predicts that affirmation of the recognition of ideological plurality, the search for international social justice and solidarity among the peoples through respect for their self-determination will characterize Venezuela's foreign policy for the remainder of the constitutional period.

On the domestic level this policy will be supported by a strengthening of democratic concepts, an adequate border policy and the intensification of economic development.

How would this policy of solidarity and respect for self-determination of peoples be implemented in the Central American region which, because of American intervention, has become the continent's powderkeg?

To this point, Monsant reiterated that Venezuela is opposed to the strategic games of any extracontinental power, and for that reason "he is committed to the Salvadoran people's search for democracy. Let us not forget that the junta headed by Jose Napoleon Duarte is calling elections so that the people can choose the government they want.

"However, the U.S. undersecretary of state himself, Thomas Enders, the Venezuelan Social Democrats and the French-Mexican statement all presume that this political solution cannot come about without the participation of all the sectors involved in the Salvadoran process.

"We believe that to sit down at the negotiating table with the other parties is not the proper way. The only solution is to call elections, not to search for a political solution, which would divide up the country by dividing up the power. Therefore we do not understand the attitude of some Democratic Action leaders who defend democracy on the one hand and on the other appear to support Marxist subversion in El Salvador and also in Nicaragua."

JJM emphasized Venezuela's support for Nicaragua and the fact that it was "always on the side of the democratic countries" during the administration of Carlos Andres Perez, however he emphasized that at present one can see "a totalitarian departure" in the Nicaraguan process, but that even so, "we must continue to support them until a regime of political plurality is established, and all our efforts as a party and as a nation are directed to the achievement of that goal. I hope that our efforts will not be in vain."

#### Former Cuban-Venezuelan Friendship

Our people have always been friends of Cuba, Monsant maintained. Already in the last century Simon Bolivar looked upon Cuba as a natural ally; that was also Jose Marti's desire, but just then the imperialist geopolitical movements prevented it from becoming a reality. Thus Cuba overthrew Spain only to fall under the hegemony of the United States and, later, of Moscow.

He returned to the comparisons and differences between the party and the government and pointed out that with regard to this former sentiment "it is not necessary to convince anybody, even when intergovernmental relations are at their



lowest ebb, but we are confident that this stage will be overcome, so that once again the respect and openness observed under Rafael Caldera's administration may be as vigorous as it was then."

He admitted that the government's foreign policy is not oriented to the renewal of diplomatic relations with Havana, and he argued that this is because of the statements of high government officials in Cuba supporting Guyana against the Venezuelan territorial claims in El Esequibo.

He emphasized that the Venezuelan people cannot accept Cuba's meddling in our territorial problems with Guyana, since "Venezuela has never intervened in such matters, except to preserve its own independence and to respect the solution chosen. If there is one thing Venezuelans agree on, it is the defense of our sovereignty."

As for Guyana, he believes that Venezuela must exhaust all bilateral and multi-lateral mechanisms to arrive at a practical agreement with Guyana.

He criticized the language used by Forbes Burnham when, in international forums, he called Venezuela imperialist and expansionist, forgetting that Venezuela was one of the first countries to support the independence movement of the former British colony.

Monsant emphasized that there is a national will to be very firm in the Esequibo territorial claim, and if we are united in anything, it is in this matter.

The conversation continued on a more personal, but friendly tone, and the young COPEI diplomat commented on his past experiences at the Venezuelan Embassy in Colombia, which perhaps merit another newspaper article. He recalled the accumulated experience of the events surrounding the takeover of the diplomatic mission and the kidnapping of Ambassador Virgilio Lovera by an M-19 [19 April Movement] commando, the suspension of talks about the proposed agreement on the delineation of ocean and undersea areas and also the problem, no less important, of undocumented Colombians who have returned to their country.

With his experience he has brought outstanding friendly relations to the two countries and minimized the importance of the most recent border incidents.

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## FOREIGN RELATIONS ASSISTANT SECRETARY DISCUSSES CUBA

Caracas EL NACIONAL in Spanish 24 Nov 81 p D-17

[Article by Hernan Mena Cifuentes]

[Text] Maiquetia, 23 Nov (Special)--"The case of the Cuban plane is a 'phantom' that Dr Fidel Castro has tried to make the center and cause of all our differences; actually, that is a matter which came up much, much later, since relations between our countries had already fallen to their present level of stagnation and total coldness," asserted Oswaldo Paez Pumar, Venezuelan assistant secretary of foreign relations.

The statements by the director general of the Ministry of Foreign Relations, who will be in London today through Friday discussing with British foreign policy officials the political and social situation of Central America and the Caribbean, were made shortly before he boarded his plane at Maiquetia International Airport. Paez Pumar talked with EL NACIONAL about various aspects of the Central American and Caribbean situation, especially El Salvador, Nicaragua and Cuba.

Expressing his opinion about the crash of a Cubana de Aviacion plane in the ocean off the coast of Barbados in 1976, the alleged victim of sabotage, in which 73 persons perished, most of them Cuban citizens, Paez Pumar called the case a "phantom" used, according to him, by the Cuban leader as the center of differences between Venezuela and Cuba.

"To try to throw the blame on questions related to the Cuban plane," he reiterated, "--which among other things are subject to the jurisdiction of the courts, whose autonomy is respected by the Executive Branch--is absurd."

Asked whether there are any short, medium or long-term prospects for an improvement in relations between Cuba and Venezuela, which are "frozen" at present, he replied:

"Of course, we have done nothing to bring relations to this point. If they want relations to enter a new, positive phase, they will have to take the first step, since it was they who took the negative step."

Commenting on Haig's recent statements about a possible military intervention by the United States against Nicaragua and Cuba, Paez Pumar said:

"I really do not believe that such a thing is planned, and certainly President Herrera Campins has indicated, with absolute clarity, the Venezuelan Government's position in this matter; but I would venture to say that there is a little fanciful speculation about whether or not there is to be an invasion."

Asked then about the recent resolution of a U.S. bishops' conference demanding the withdrawal by the United States of all economic and military aid to the Salvadoran Junta, the assistant secretary gave his opinion in the following terms:

"I do not have any information about that, but the truth is that the cooperation given to El Salvador by the United States from the point of view of assistance and training is not the interventionist factor in that country.

"The intervention," he said, "took place long before, and we are aware of it and have denounced it; there has been an intervention which demonstrates that support of the guerrilla movement there responds to the interests of powers outside the continent."

"If you are referring to the USSR, through Cuba," he was asked, "Castro has reiterated his challenge to the Reagan government to prove that alleged military aid, and he maintains that he has only sent doctors and teachers, mostly women, to Nicaragua, but never a single Cuban soldier."

Paez Pumar did not change his expression and responded immediately:

"I will tell you something about this matter of proof. Actually, I do not believe that in the matter of international intervention there is any country which, when it carries out an action of this kind, signs a statement declaring its own guilt and confessing that it is making such an intervention. The only countries in which this happens," he asserted, "are the democratic countries, where the free play of freedom of expression makes these matters the subject of public debate and public opinion. In countries which do not have such a system of absolute democratic freedom that is impossible."

He went on to say that "what we are doing is judging events as we have lived them and from what we have seen. We have seen," he added, "intervention in Venezuela; we have seen intervention in Colombia, in Bolivia...perhaps 'Che' Guevara did not die in Bolivia?"

"We have seen it intervene in Africa, we see its links with a series of movements. Because of all that, we form the judgments we do," he said.

"But without proof?" the reporter asked again. "Because if these proofs exist, why are they not brought out?"

"Proof," Paez Pumar answered, "depends on what you understand as proof. If it is a question of some piece of evidence which can be submitted to a court of

law, because it says, 'Look, convict and sentence this man; here is the proof that he has committed a crime,' then that sort of proof does not exist. But there is indeed evidence of another sort."

"Such as?"

"What we lawyers call 'serious circumstantial evidence.'"

"There is training; there is leadership, there are weapons and financing. All one has to do is mention it; everyone knows. El Salvador is a very poor country where, they say, only 14 families own everything--families who certainly have already left El Salvador. Where, then, are the gentlemen with the guerrilla movement getting the money to buy weapons? I know about the international weapons traffic, but, what are they buying it with? Because international weapons traffickers are hardly the type to offer them gratuitously or more cheaply, in the way of a donation, than they can be acquired in the regular market."

Returning to relations with Cuba, he indicated that that country has been "interfering in such things as our dispute with Guyana, in which matter Cuba has been the only country in the world to take an active, belligerent position."

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